

CITY OF  
**LONG BEACH**

Fiscal Year  
**2021**  
Proposed  
Budget



The COVID-19 pandemic has caused major challenges worldwide, including here in Long Beach. As one of the few cities in California to have its own health department, Long Beach has been a leader in responding to the pandemic. Many City resources have been diverted to assisting with response and recovery efforts. Due to the significant diversion of staff and financial resources to manage this public health crisis, the Proposed FY 21 Budget development process was temporarily suspended in late March 2020.

As efforts to manage COVID persist, the City decided to re-engage in the Budget process in May in order to ensure the public and Mayor and City Council are provided with the typical budget review timeframe. The delayed start on the Proposed FY 21 Budget has required adjustments to the standard process, including this modified Proposed FY 21 Budget Booklet.

This Booklet provides information on all the key changes made to the current (FY 20) budget and is designed to highlight the key data elements needed for discussion and deliberation of the budget proposals. The full Adopted FY 21 Budget document will be published following budget adoption and will include updated information as to the status of individual funds, technical corrections, and details on individual department budgets.

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July 3, 2020

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

SUBJECT: Proposed Fiscal Year 2021 Budget

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I am honored to present to you my first proposed budget as City Manager. The \$2.6 billion Proposed Fiscal Year 2021 (FY 21) Budget continues the tradition of providing a diverse array of services and addressing the City Council's priorities while emphasizing the good financial management and policies that have allowed us to be successful as a City. In fact, since the Great Recession, the City has largely been able to focus on growth, making great strides in innovations and improvements for our residents under the leadership of the Mayor, the City Council, and the hard work of City staff.

There are an incredible number of accomplishments we can be proud of over the past few years. We have helped bring business to the City and supported small business owners, having hosted more than 20,000 online sessions in BizPort to help entrepreneurs navigate the steps to start, manage, and grow a business. In addition, the City has issued 12,675 building permits with a total construction valuation of \$656 million in 2019. The City has enacted inclusionary housing and tenant assistance policies, and there are 650 new affordable housing units for extremely low- to low-income households in the pipeline. In the coming months, the City will also open the Atlantic Farms Bridge Housing Community, the first year-round facility to provide shelter and services to people experiencing homelessness. We have continued implementation of the largest investment in infrastructure in a generation, and, in 2019, we opened our new world-class 93,000-square-foot Billie Jean King Main Library as well as our LEED-certified City Hall and Civic Center Plaza. Long Beach continues to rank high on livability issues: more than 70 percent of residents have rated Long Beach as an excellent or good place to live, and Heal the Bay gave 87 percent of the City's beaches A or B grades in its annual Beach Report Card. Animal Care Services instituted its Compassion Saves approach, resulting in more shelter animals being fostered or adopted than ever before. We continue to have world class parks and wonderful diverse neighborhoods that make us proud to be part of the Long Beach story.

This year we have also faced an unprecedented series of issues – a world-wide pandemic, the injustices of systemic racism, a faltering and uncertain economy, and the projected largest budget shortfall in recent history.

The COVID-19 crisis rapidly developed into a global pandemic that significantly altered the City's plans, priorities, and focus in FY 20. City staff have risen to the occasion, activating our emergency response teams and doing whatever was necessary to protect residents and lessen the economic impact on businesses. I am proud of how rapidly our City moved to meet this crisis, and we continue to make the health and safety of our



community one of our top priorities. Starting in FY 20, the City will provide significant financial and public health support to the community as well as businesses economic resiliency support through the allocation of \$40.3 million in Coronavirus Aid, Relief, and Economic Security Act (CARES) Act funding received by the City.

While grappling with the new realities of a global pandemic, the country was shocked to graphically witness the death of George Floyd at the hands of four Minneapolis police officers. This was an act so senseless and tragic that it sparked worldwide, nationwide, and Long Beach protests and calls to end systemic racism. While this horrendous act sparked national action, we know this was not an isolated incident – the community pain is real and based in patterns and history of racial injustice. Our community has challenged the City to acknowledge this country's history of racial disparities and to take action.

To that end, the City has taken up the task of listening to the community's input and assessing systemic structures within the City and our community that allow for racial inequity and injustice to persist. This budget puts structures in place to review and address these systemic challenges and to ensure that Long Beach provides equitable opportunity and outcomes for all residents. Perhaps most notably is the initial investment of \$3.2 million of structural and one-time funds to implement the recommendations within the Racial Equity and Reconciliation Initiative Plan, which is a product of the City Council directed Framework for Reconciliation effort. The Police Department is also re-evaluating effective public safety in Long Beach. This budget includes changes such as moving certain duties from sworn positions to civilian positions, initiatives that result in reductions to sworn positions, and the establishment of an Office of Constitutional Policing that will work to ensure public safety is provided in a fair, equitable, and just manner. We know that these steps alone will not end racism in Long Beach but they represent critical first steps and our commitment to concrete and substantial action. Because of its importance and critical nature, this citywide effort across all departments will be managed at the highest level by a newly established Deputy City Manager position.

The emergency response to the COVID-19 pandemic and the civil unrest were unexpected global events that have exacerbated the strain on the City's financial situation, both in FY 20 (current year) and in FY 21. In order to address as many needs as possible and take a long-term view of the multiple challenges ahead, the Proposed FY 21 Budget is a balanced budget that relies on both structural and one-time solutions to solve a projected \$30 million General Fund shortfall. The decision to utilize one-time solutions in this budget is based on weighing the long-term goals and needs of the City; the short time frame that existed to make significant choices impacting the community; and the unknown fiscal considerations associated with the pandemic, including the economy and potential additional federal aid. Utilizing one-time solutions at this juncture will provide the City time to evaluate longer-term trends and make thoughtful changes to structurally balance the budget in the succeeding fiscal year, FY 22.

Part of the one-time solutions factored into the budget is \$11 million in General Fund savings from employee furloughs or other solutions from the employee labor groups. These are currently being negotiated and not yet finalized. To generate these savings, 26

days of furlough would be required during the year, equating to 10 percent of pay for the vast majority of our non-sworn employees throughout the entire organization. A sacrifice of this magnitude by our employees would require the closure of City services one day every two weeks and result in the loss of services and organizational capacity by 10 percent. However, this assistance from our employee groups will be a tremendous help in providing the immediate short-term relief needed to stave off even deeper reductions and adverse impacts to services and employees, including significant layoffs in our civilian ranks that would be needed to balance the budget (potentially up to 106 additional position reductions). While negotiations continue, I am very optimistic and grateful to our employee organizations for recognizing the seriousness of the challenge and working with City management to find solutions at the bargaining table to both address long-term compensation and immediate savings needed in FY 21.

Addressing the projected large budget shortfall required a new approach, and the proposed service reductions were evaluated through the lens of a *Balanced Outcomes-Based Approach*. This strategy used a multi-pronged approach that focused on prioritizing and protecting core services while adjusting others to acceptable service levels; ensuring adequate support staffing to meet legal mandates; and preserving effective organizational capacity. Long Beach is a full-service City and prides itself in providing a wide variety of resources and services to the community. This budget preserves and protects many of these critical services including the provision and improvement of affordable housing; support for economic development and business assistance; the overall continuum of public safety and emergency medical response; a multi-faceted homelessness response; maintenance of safe, clean and accessible parks and facilities; and support for infrastructure and livability improvements. It prioritized and preserved emergency response including Priority 1 and 2 Police calls for service and emergency medical and fire services; maintained infrastructure budget and avoided cuts in sidewalks, pothole response, and major facilities' maintenance; preserved the funding to maintain public spaces and assets such as landscaped medians, graffiti abatement, and the majority of tree trimming services; and preserved core youth and senior programming.

While the budget sought to maintain and prioritize a wide range of diverse services, the size of the shortfall still required difficult budget cuts. These reductions do adversely impact our departments' flexibility and ability to respond to and deliver services, but the City will continue to work towards any efficiencies and innovations that can help mitigate these reductions. Additionally, due to the pandemic, significant City resources were diverted to assist with the response and recovery efforts. This resulted in the temporary suspension of the proposed budget development process from March through May, significantly limiting the capacity of staff in developing the budget and requiring a modified process and budget document.

Despite the financial challenges, this Proposed FY 21 Budget accomplishes many goals and outcomes. It prioritizes the health and safety of our residents in our response to the pandemic; it implements bold actions and investments towards the work of racial equity and reconciliation; it maintains core services in a balanced way; and it makes the difficult reductions needed to address the serious multi-year budget shortfalls.

The Proposed FY 21 budget is just the first step and much work remains to be done. The magnitude of the issues before us cannot be resolved in one year and in a single budget. This budget does not represent the completion of important goals, but rather just the beginning of a difficult but promising path to the future. It demonstrates the City's resiliency, drive, and a strong determination by City leaders and staff to deliver the best services in the midst of serious challenges. I am confident in our commitment to work together with our residents, businesses, community-based organizations, neighborhoods, and our Mayor and City Council keep Long Beach a great place to live, work, and play.

Below is a summary of attachments immediately following this transmittal memo, including Attachment A that provides detailed information on the budget. The "Executive Summary" Chapter and its attachments provide details on the budget's financial summaries, including revenue and expense trends and information on other funds.

- Attachment A: Detailed Summary of Budget
- Attachment B: Pandemic Response and Recovery Programs (CARES)
- Attachment C: Summary of Racial Equity and Reconciliation Investments
- Attachment D: General Fund Strategic One-time Investments
- Attachment E: Summary of Proposed Changes – General Fund
- Attachment F: Summary of Proposed Changes – Other Funds
- Attachment G: Measure A FY 21 Sources and Uses
- Attachment H: Measure A Infrastructure Project List
- Attachment I: Measure A 5-year Infrastructure Update
- Attachment J: Measure A Full Year Allocation Plan
- Attachment K: Measure MA Summary of Uses

I want to extend my appreciation to the Mayor and City Council for your fiscal leadership. Also, I am eternally grateful for the Budget staff in Financial Management and all the City Manager Departments for the difficult work required to develop and submit this proposed budget under the most challenging circumstances yet faced. I would also like to thank the City Attorney, City Prosecutor, City Auditor, City Clerk, Civil Service Executive Director, Harbor Department Executive Director, and Water Department General Manager for their continued collaboration and support.

We look forward to working with you as you consider this proposed budget, which accomplishes many things, and as we move forward to address the challenges facing us in the future.

Respectfully submitted,



Thomas B. Modica  
City Manager



## **Detailed Summary of Budget**

### **COVID-19 PANDEMIC AND CITY RESPONSE AND RECOVERY**

On March 4, 2020, the City declared local health and city emergencies to strengthen the City's preparedness and ability to respond to the COVID-19 Pandemic (pandemic). The pandemic has since become a worldwide crisis and is the City's top priority for 2020. The City's emergency response is being managed with the Health and Human Services Department (Health Department) as the lead agency and the Fire and Police Departments as the primary supporting agencies, although most City departments are involved in the response in one form or another. Over 100 personnel have been dedicated full-time to the City's Emergency Operations Center (EOC) since March, with hundreds of other employees throughout the organization engaged in the pandemic response work. However, unlike past emergency activations, the pandemic is unique in that the duration is much longer, requiring sustainable support structures across all City departments over time. This has resulted in a significant diversion of staff from all other priorities, with staff capacity extremely limited to take on new assignments or complete past assignments on timelines previously contemplated.

The City's key priority has been keeping all residents safe and healthy. These efforts, have resulted in the establishment of medical assessment, testing and investigations, medical sheltering, shelters for approximately 300 People Experiencing Homelessness (PEH) or needing to isolate and quarantine; the investigation of over 8,000 positive COVID cases; the management of outbreaks in various facilities; the coordination with medical groups; and the hosting of approximately 50 pandemic-related livestreamed press conferences as well as livestreams and telephone town halls. Additionally, over 123,000 people have been tested at both our city drive-thrus and private medical providers in our City. The drive-thrus organized by the City continue to have the ability to test up to 1,400 people per day.

To help offset the expenses related to this response, a team was established to track and assess funding options, develop processes to maximize the City's use of external funding sources, and meet various documentation and reporting requirements for cost recovery. Additionally, the City has actively advocated for an allocation of CARES Act funding from the State and County. On June 30, 2020, the State Legislature approved the State budget, and allocated approximately \$40.3 million in CARES Act (State Cares Act) funding to the City. Staff has identified, and the City Council adopted a list of activities and functions eligible for these funds that will allow the City to cover expenses related to the pandemic response, provide financial and public health support to the community, and give businesses economic resiliency support. As requested by the City, staff has incorporated the Equity Toolkit to inform a Health Equity Impact Analysis to guide the community and economic support programs supported by the CARES Act. Funds were appropriated in FY 20 but the work and funding will cross fiscal years into FY 21.

The City is proud to implement these programs to support the community and businesses including the following:

- **Community Support Programs** – Homeless Sheltering, Food Insecurity and Meals for At-Risk and Senior Populations, Black Health Education Programs, Early Childhood Support, Non-Profit Relief Program, Youth Leadership & Ambassador Programs, Digital Inclusion Program for Residents, and Older Adults Support and Basic Needs Support, among others
- **Business Support Programs** – Small Business and Non-Profit PPE Distribution Program, COVID-19 Small Business Transition & Recovery Grants, Grants for Queuing Systems and Contactless Payment Systems and Business Improvement Districts (BIDs) Loan and Grant program, among others.

**See Attachment B “Pandemic Response and Recovery Programs”** for a complete list and additional details on the programs made possible by the State CARES Act Allocation.

In addition, City staff have been researching, applying for, and tracking all available COVID-19 grant opportunities to maximize the City’s access to available funding for emergency response and recovery activities. In recent weeks the City has learned that Long Beach will be receiving several large grants to support ongoing programs to address and lessen the impacts of COVID-19. Those grants include the following, among others:

- Four COVID-19 response projects for FEMA Public Assistance for combined EOC/IMT operations; Non-Congregate Sheltering (commonly referred to as Project Roomkey and Isolation and Quarantine sites); Great Plates Delivered Senior Meal Program; and COVID-19 Community Based Testing. The initial estimated cost of these four projects was \$16.1 million. Of this amount, the 75 percent federal share estimated to be reimbursed by FEMA is \$12.1 million and the local cost share would be \$4.0 million.
- A \$13 million allocation from the Los Angeles County, Centers for Disease Control and Prevention's (CDC) Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC). The ELC will provide support for a broad range of testing and epidemiological surveillance related activities over a 2.5-year period.
- \$13 million from the Emergency Solutions Grants (ESG) from the U.S. Department of Housing and Urban Development (HUD) and \$1.8 million in ESG-CV, for a total of \$14.8 million in ESG grants. These ESG Funds will support emergency shelter, homeless prevention, rental assistance, street outreach, and administrative activities.
- \$3.6 million in round one of Community Development Block Grant – CARES (CDBG-CV) grant funds for tenant assistance. Additional CDBG-CV grant funds are expected in the future to assist with tenant assistance.

- \$6.9 million from The Homeless Housing, Assistance and Prevention Program (HHAP) to support regional coordination and expand or develop local capacity to address immediate homelessness challenges. This includes measures to bring the unsheltered safely indoors, maintain health and sanitation standards, institute medical interventions, and add new isolation and quarantine capacity to the shelter and housing inventory to slow the spread of the pandemic.
- \$657,554 from the Department of Justice (DOJ) for the Police Department to increase the use of technology to maintain social distancing and reduce the need to gather personnel and the public in confined spaces; increase language translation services to communicate various orders and enforcement documents; crisis leadership training for Police Department command staff; disinfection and cleaning of police facilities and vehicles; and purchasing washable uniforms to replace current wool uniforms.

The availability of these diverse array of funds will allow the City to provide supportive services across the broadest categories of needs within the community. Even given the influx of grant funds, however, due to the need for services created by the pandemic and the significant reduction in the City's revenues, it is anticipated that substantial unfunded costs will still exist in FY 20 and over the next few years that will need to be carefully monitored and addressed.

### **RACIAL EQUITY AND RECONCILIATION**

The pandemic has placed many of the racial disparities in health, income and public and private life into sharp focus. The racial disparity in who is least likely to be able to safely stay-home to lower their risk, most likely to get infected, and most susceptible to the virus has shone a bright light on health and economic disparities in communities, including Long Beach.

The pandemic coupled with the protests and civil unrest following the killing of George Floyd pushed cities and residents across the nation into a pivotal moment in time. Instances of grave racial injustice have caused cities across the world, including Long Beach, to pause and introspectively assess systemic structures that contribute to racial inequity and injustice. Understanding the systems that created and continue to foster these inequities and taking concerted action to correct unjust and inequitable outcomes is only possible through a trusting relationship between neighbors, the local government, and the community.

In response to community concerns, on June 23, 2020, the City Council unanimously adopted a Resolution acknowledging Racism as a Public Health Crisis and establishing a Framework for Reconciliation. This framework seeks to foster trust building and mobilize for action and includes: (1) acknowledging the existence and long-standing impacts of systemic racism in Long Beach and the country; (2) listening to accounts and experiences of racial injustice, inequity, or harm to community members, while concurrently compiling

local and external data on racial disparities in the community; (3) convening stakeholders to analyze feedback from the listening sessions and racial disparity data to recommend initiatives that shape policy, budgetary, charter, and programmatic reform; and, (4) catalyzing action that includes immediate, short-term, medium-term, and long-term recommendations for the City Council's consideration in a Racial Reconciliation Report. Since June 22, 2020, four town hall meetings and 13 listening sessions have been completed with the community and a couple of listening sessions with City employees. The themes and topics raised by community participants have been varied, but center around the nexus between racism and community health, housing and homelessness, and policing and public safety, as well as economic inclusion and budget reforms. From employees, we heard the need to address internal City practices around equity in hiring, promotion, and training.

Addressing inequities will not disappear on their own without direct thoughtful and intentional action by local government. Due to the financial crisis brought about by the pandemic, there are severe challenges and limitations for the City to simultaneously manage, including how to resolve a \$30 million budget shortfall in FY 21. While navigating through these significant financial constraints, this budget reflects a commitment to addressing racial inequities and creating a more just community where race no longer predicts how well you will do in life. The Racial Equity and Reconciliation Initiative initiated as part of this budget includes \$3.3 million in funds to invest in this effort, \$2.5 million in structural funds and approximately \$782,000 in one-time funds, that will set us on a path forward with the acknowledgement that as we move forward, more will likely be needed in future years.

This section focuses on the enhancements being made in the budget to support the work of Racial Equity and Reconciliation. Other sections in the message will discuss re-envisioning public safety services, including civilianization, oversight and transparency, and other changes in how services are delivered.

A high-level summary of these enhancements can be found in **Attachment C: "Summary of Racial Equity and Reconciliation Investments."**

### ***City Manager's Office***

- Enhance the Office of Equity and transfer it from the Health Department to the City Manager's Office, reflecting a citywide commitment to elevate and integrate the principles and goals of equity throughout the entire organization. The transfer includes two positions from the Health Department, including the Language Access Program. Additionally, the following one-time funds will be allocated to support the Office of Equity goals: \$63,000 to support an additional temporary staff person not offset by grants; \$100,000 to provide training and education on equity throughout the organization; and \$160,000 to support Language Access Program translation and interpretation services.
- Addition of a Deputy City Manager position to provide centralized coordination for the citywide efforts related to homelessness issues, oversight of the Office of

Equity being transferred from the Health Department, and to manage the development and implementation of the City's efforts related to the Racial Equity and Reconciliation Initiative – reflecting a commitment from the top of the organization to these important goals.

- Addition of a Community Program Specialist position to provide additional support for the Office of Equity and increasing the capacity of the Office to achieve its goals.
- Enhancement of \$150,000 in the City Manager's Office to support reforms and innovations of the Citizens Police Complaints Commission (CPCC). In FY 21, these funds will be used to conduct a comprehensive study on best practices for CPCC operations and the potential for a ballot measure to implement change to its duties and authority as determined by the study. Moving forward, these structural funds will help support the implementation of any recommended changes.

### ***Health and Fire Departments***

- Enhancement of \$1.5 million in the Health Department for the implementation of the Racial Equity and Reconciliation Initiative, with specific recommendations outlined in the Racial Equity and Reconciliation Initiative: Initial Report
- Redesign and restructure the HEART team model with a greater public health focus and utilize Nurse positions in the Health Department instead of Firefighters in the Fire Department.
- One-time funds of \$187,500 to support Fire Diversity Recruitment Program to implement a comprehensive recruitment focused on hiring highly-qualified candidates that represent the City's diverse population.

### ***Library Services Department***

- Addition of three Public Health Professional II positions in the Library Services Department to provide social work services within libraries for patrons in need of outreach and professional assistance, to be offset by grant funds.
- Restructure library services to contribute towards addressing the City's structural shortfall as well as enhance services in underserved areas. The Billie Jean King Main, Michelle Obama, and Mark Twain libraries will now be open from 5 days a week to 7 days a week with upgraded services as the City's flagship libraries. The other 9 branch libraries will maintain full services but reduced to 3 days a week (Tuesdays – Thursdays). This is anticipated to save approximately \$247,000 and avoid elimination of any one branch in the City, while providing both a regional and local model of library access.

### ***Parks, Recreation, and Marine Department***

- Structurally fund the Senior Programming at the Expo Center with an enhancement of \$40,000 that had been supported with one-time funding in past years. This program will further enhance the quality of life for the City's Senior community by continuing to provide core health and enrichment services. The Expo Center is located in the northern part of the City, which has the highest number of Seniors within our City and does not have dedicated senior programming.
- One-time funds of \$272,000 for the Be SAFE program at 11 sites to reduce crime in neighborhoods by extending supervision hours at designated parks during the evenings in the summer, employing neighborhood youth, and giving families positive and safe activities to enjoy together.

### ***Police Department***

- Create an Office of Constitutional Policing in the Police Department dedicated to rethinking policing through a forward-looking focus, building greater trust through increased responsiveness, transparency, and accountability. This Office will be responsible for ensuring that the Department is in step with best practices in policing, legal mandates, and community expectations; guiding the expansion of data analytics for accountability and transparency; engaging with external groups and other city agencies for inclusivity and equity; and liaising with the Office of Equity. This Office will be staffed by reallocating a Special Projects Officer and a Lieutenant (upgraded from a Sergeant position) from the Executive Bureau to this new office and adding a Business Services Specialist IV to perform data analytics, offset by reduction of budgeted overtime.

### **CANNABIS REVENUE FOR RACIAL EQUITY/RECONCILIATION AND PUBLIC HEALTH AND SAFETY**

The Proposed FY 21 Budget recommends that the City Council approves implementing a higher tax rate for business license tax on cannabis businesses as part of the strategic approach that allows the City to invest in the critical priorities of the Racial Equity and Reconciliation Initiative and maintain important public health services, while at the same time recognizing that the City is severely constrained in its resources facing a \$30 million shortfall and the exacerbating effects of the pandemic. The voters previously authorized the City to increase or decrease cannabis tax rates by ordinance subject to the maximum and minimum rates. When first implementing the tax, the City purposely chose to implement it at the lowest of the publicly approved rates, with the ability to increase it in the future as the industry became more established. Increasing the tax rate is the most strategic and viable way to help the City achieve the balance of its goals – both from the fiscal and service perspective.



Measure MA is a ballot initiative, approved by 68 percent of Long Beach voters on November 8, 2016, which established a business license tax on cannabis businesses. The Proposed FY 21 Budget recommends changes to the tax structure with a 1 percent increase in the rate applied to medical and adult-use retail sales, increasing the tax for from the original 6 percent to 7 percent for medical, and from 8 percent to 9 percent for adult-use. Staff recommends holding all other cannabis business license tax rates flat to keep Long Beach competitive with other cannabis markets, including the change City Council made in December 2019 to reduce the cannabis business license tax rate for Manufacturers, Distributors and Testing Laboratories from 6 to 1 percent. Additional information on Measure MA, the tax rates, and the revenues can be found in the City Ballot Measures Section later on in this Attachment.

With this tax increase and improved revenue projections, cannabis revenue is anticipated to generate \$8.6 million in FY 21. This budget is proposing the strategic use of these revenues to fund the following three areas:

- The Cannabis Oversight and Enforcement program citywide – these expenses have been reduced as part of the proposed budget cuts. The FY 21 reductions are part of an ongoing effort to minimize cannabis regulatory program costs by streamlining operations and reducing service levels, where appropriate. In FY 21, the total reductions to the program in the General Fund is approximately \$983,000, with the remaining program budgeted at approximately \$1.8 million. Approximately 7 positions have been reduced from the General Fund, representing a 30 percent reduction in staffing in this program (excluding funding reallocations) and will slow the City's ability to implement new policy and/or licensing and enforcement. Details on the reductions are listed later on in this attachment.
- The structural enhancements related to the Racial Equity and Reconciliation Initiative as discussed in the previous section above. These structural enhancements total about \$2.5 million.
- Maintaining critical public health and safety services, consistent with the resolution of intent on the use of cannabis funds. This revenue will help the City maintain approximately \$4.2 million of priority public health and safety services in an environment where significant shortfalls require reduction of services. These services include the following:
  - Clean Team
  - Support for Homeless Services and the Multi-services Center
  - Violence Prevention Unit
  - Citywide Accessibility Coordinator
  - Lifelong Learning Program at Michelle Obama and Mark Twain libraries
  - Neighborhood Resource Center and Improvement Program
  - Be S.A.F.E. structural funding for 8 sites
  - Senior Center Administration and Programming
  - Homeland Cultural Center
  - Quality of Life Police Officers

A summary of the uses of Measure MA revenue can also be found in Attachment K “Measure MA Summary of Uses”

## **RESOLVING THE BUDGET SHORTFALL – A MULTI-PRONGED APPROACH**

The City’s General Fund was facing a \$30 million shortfall as a result of revenues growing at a slower pace than expenses – further exacerbated significantly by the impacts of the pandemic; the Measure M litigation, and rising costs such as general liability and pension obligations. This is the largest shortfall the City has faced in recent years.

To address such a significant shortfall amount, a multi-prong strategic approach was developed and utilized as listed below. The subsequent sections below discuss the actions taken under each prong.

1. **Efficiencies and Innovations** – identify options for operational efficiencies, consolidations, new ways of doing business, leveraging technology
2. **Service Reductions** – evaluate reductions across all City Departments that prioritize the City’s core services/values, and utilize an outcome-based decision-making process
3. **New or reallocated revenues** – explore areas of new or reallocated revenues and maximize cost recovery
4. **Assistance/Contributions from Employees** – engage with employee groups to explore savings options to help reduce layoffs and service cuts
5. **Strategic Investments** – Investing in critical or priority needs that set the City up to be in better financial standing in the future and promote overall City quality of life

### **Efficiencies and Innovations (Prong 1)**

The first prong in the multi-prong approach was to evaluate efficiencies, innovations, and new ways of doing business throughout the organization that could generate savings. The four areas of efficiencies and innovations included in the proposed budgets are as follows: 1) re-envisioning Public Safety service delivery methodology, 2) recognizing reduced costs from technology and other strategic investments made in the past, 3) assessing the strategic use of contracting in or out of City services, and 4) cleaning up any long-term vacant positions and aligning budget to actual operations where the opportunity existed.

City staff will continue to assess and evaluate operations and explore different service delivery models and areas of efficiencies during FY 21 to identify options that might be implemented in the future moving forward.

### ***Re-envisioning Public Safety Service Delivery Methodology***

The men and women of the Long Beach Police Department work tirelessly every day to protect our residents under laws set forth by our legislative leaders and they answer the call to put themselves in harm's way to protect others, whether facing criminal, environmental or, as in the case of their response to COVID-19, viral dangers. The City is looking internally at our budgetary priorities, our policies and procedures, training, personal and institutional biases, to ensure public safety is provided in a fair, equitable, and just manner. As a City, we are taking a hard look to see how we can partner across all City departments and work together as part of a multi-faceted continuum of public safety. This effort is reflected in the Police and Fire Department's budget proposals, which incorporates civilianization of some sworn positions to create efficiencies and savings, restructuring of operations, and shifting duties from public safety to public health professionals, among others.

Below are some items the Proposed FY 21 Budget includes as part of re-envisioning the public safety service delivery methodology:

- **Use of Civilian Positions in lieu of Sworn Positions in the Police Department**
  - Part of the effort to re-envision the way services are delivered within the Police Department is the effort to civilianize certain sworn positions that are currently assigned to departmental functions that do not require arrest authority or can be performed by a civilian classification. The Police Department evaluated duties performed by sworn staff that are primarily administrative in nature and where civilianization would allow these sworn staff to be redeployed to the field, better utilizing their skillset and training. Additionally, the department evaluated which investigative functions could be performed by analysts and other civilian positions, which would equip the department with in-demand technical and data analytical capabilities to investigate and address crime trends.

The following changes have been included in the Police Department budget. In total, the items below eliminate 34 sworn positions and add 28.7 civilian positions, generating approximately \$5.2 million in savings.

- Convert 16 Police Officers to 16 Community Services Assistants who can respond to Priority 3 Report calls. Priority 3 calls are non-violent 9-1-1 calls that are primarily requests for a crime report to be filled after a property crime has occurred. Several jurisdictions use civilian positions for these roles. Uniformed, unarmed civilians will be trained to investigate and officially document specific property-based crimes, respond to radio calls for nonviolent crimes, and assist community members with police reports.
- Convert 5 Police Officer positions to 5 Property and Supply Clerk positions who will be assigned to manage, replace, and coordinate the repair of public safety equipment and facility duties at the police substations.

- Civilianize the Air Support Unit by eliminating 6 Police Officers and adding 2 civilian Pilots. The Air Support operation schedule will be reassessed and aligned with calls for service trends and patterns.
- Convert 1 Detective position to a Crime Analyst and Non-Career Police Investigator positions assigned to the Special Investigation Division. This will add analytical and investigative support to sections and units that investigate homicides, gang activity, narcotics, and other violent crime incidents. These civilian positions will coordinate with crime analysts assigned to the Patrol division to promote increased investigative and operational communication to address crime trends.
- Reduce the Warrant Detail from 4 sworn positions to 1 Sergeant and 2 Assistant Administrative Analyst positions to continue the work of monitoring and coordinating due diligence checks on individuals with outstanding warrants using Directed Enforcement Teams.
- Convert a West Division Lieutenant position to an Administrative Analyst position who will continue to support the Police IT unit.
- Eliminate 2 Detectives in the Detectives Division and add a Police Non-Career Investigator position to continue the monitoring and investigation of sex offender compliance.
- Transfer the Crossing Guard Program from the Police Department to the Public Works Department. This is a reorganization effort within the City that will help streamline the hiring process and align citywide employment opportunities with workforce development goals.
- **Restructuring and streamlining the Jail Operations** – The Police Department has proposed restructuring the Jail Operations that results in the elimination of 10 Special Services Officers and 2 Clerk Typists positions for a savings of \$1.2 million. The changes include the following:
  - Move the Juvenile Booking Desk to 400 West Broadway, eliminating the need for dedicated staff at an offsite facility.
  - Consolidate the Women's and Men's Jail to the same floor of the Public Safety Building, which can be accommodated and stay within policy set by the California Board of State and Community Corrections.
  - Align staff to actual workload related to volume of bookings, Court Bailiff's unit, and Court Affairs Unit.

- **Other internal reallocations**

- Convert a Police Officer position to a Police Sergeant to oversee the Mental Health Evaluation Team and Quality of Life Team. The Quality of Life Teams and Mental Health Evaluation Teams will be combined together totaling 10 police officers and 4 social workers. The Police Sergeant position will provide unified supervision within the Police Department's homeless outreach and mental health support services.
  - Enhance the analytical capabilities of the Internal Affairs Division to investigate and analyze all Police Department misconduct cases through a reallocation of an analyst position from the Office of the Chief of Police to the Internal Affairs Division.
- **Changing the HEART Team model** – The City has two Homeless Education and Response Team (HEART) Units that have been staffed by two Firefighter/Paramedics for each unit. As noted in the Racial Equity and Reconciliation Initiative section above, this budget proposes to move the two HEART teams in the Fire Department to the Health Department and staff the teams with nurses. This is anticipated to save approximately a net \$450,000 between the Fire and Health Departments and continue to provide a mobile service staffed by nursing professionals specially trained and equipped to meet the health and social needs of the populations being served.

### ***Recognizing Reduced Costs from Technology and Other Strategic Investments***

Due to past technology and other strategic investments, the City is able to capitalize on streamlined operations to recognize savings. In total, these actions save the General Fund \$1.9 million and include the following:

- Elimination of an Equipment Mechanic I, a Garage Service Attendant II, and reclassification of other positions in the Fleet Services Bureau in the Financial Management Department due to lower labor needs as a result of several years of investing in modernizing the City's fleet. This along with other fleet adjustments is anticipated to lower Fleet interdepartmental changes and save the General Fund \$900,597 from what was anticipated in previous projections.
- Reduce budget for maintaining the City's old Mainframe System, which will no longer be needed following the implementation of the HR/Payroll and Budget Development phase (Phase 2) of LB COAST, the City's new Enterprise Resource Planning (ERP) system. Although there is a delay in the implementation of Phase 2 due to the impacts of responding to the pandemic, the Technology and Innovation Department will utilize General Services Fund Group funds available in lieu of charging user departments until the Mainframe is decommissioned. This

along with other departmental adjustments is anticipated to save the General Fund an estimated \$600,000.

- Eliminate an Admin Intern position in the Police Department Records Division as the development of improved E-Citation technology and systems will allow for automatic updates of traffic citations data into the Police Records Management System.
- Eliminate an Accounting Operations Officer, 2 Accounting Technicians and 1 Accounting Clerk in the Financial Management Department due to increased efficiencies from the new ERP System.
- Eliminate 2.26 FTEs in the Ambulance Collections and Collections Divisions in the Financial Management Department to streamline processes through the new Collection system.

### ***Contracting In and Contracting Out City Services to Manage Costs***

Part of evaluating how the City delivers services included looking at areas where it made sense to bring in or contract in services previously performed by consultants, as well as looking at the areas where the City would be best served in terms of cost by contracting out services currently performed by City staff.

The following items are being proposed to bring services in-house to be done by City staff previously performed by consultants. In total, the items are estimated to generate General Fund savings of about \$1.1 million:

- Addition of 4 positions to the Permit group in the Public Works Department to bring permit review and issuance services in house rather than through consultants.
- Addition of 6 Public Works staff to transfer street light maintenance currently performed by an outside contractor, City Light and Power, to the City. The current contract will end in the Spring of 2021, and contracting in will save approximately \$1.5 million once fully implemented.
- Addition of a Business System Specialist position in the Technology and Innovation Department to bring in-house as-needed professional services assistance of ongoing Microsoft Office 365 support citywide.
- Addition of a part-time Clerk position to bring in-house citywide mobile account billing in the Commercial Services Bureau in the Technology and Innovation Department.
- Contracting with the City of Rossmoor to have City staff sweep their streets every Monday generating revenue for the City.



The following items are being proposed to contract out services that are currently being performed by City staff. A Prop L analysis and Meet and Confer processes will need to be completed before these items can be implemented. While figures will change based on updated information and estimates, this is currently projected to save approximately \$950,000 in All Funds (\$500,000 in the General Fund).

- Elimination of 5 Customer Service Representative positions in Parking Citations Section in the Financial Management Department to contract out parking related services with Data Ticket, including manual citation entry, rental car citation processing, releases of liability and plate changes.
- Elimination of 4 positions in the Survey team in the Public Works Department and contract out as needed. A Senior Surveyor position will be kept on as a working supervisor to the contracted surveyors.
- Elimination of 4 positions in the Public Works Department and contract out parking meter collection and maintenance of 1,800 on-street meters and pay-stations to a contractor.

### ***Long-term vacant positions and aligning budget to actual operations***

Every year departments evaluate their budgets to find areas of efficiencies and savings, including the elimination of any long-term vacant positions or aligning budget to actual operations that may have changed over the years. These items are included throughout the departmental budget proposals listed in Attachments E and F.

### **Service Reductions (Prong 2)**

The City took a very hard look at service reductions and the prioritization of services. This work was done utilizing the Balanced Outcome-Based Approach. This approach seeks to meet the following key goals:

- Prioritize and provide core services at acceptable service levels
- Meet required local, State, federal mandates and legal requirements
- Ensure adequate support staffing for front-line services and systems for effective delivery of services, and preserve organizational capacity to effectively operate

This approach also looks at the outcomes of service reduction decisions rather than applying just a percent of funding reduction allocations to departments. This has resulted in a mix of reductions, reallocations, and enhancements across the City departments, with all departments being evaluated for service reductions, including public safety, to maintain a strong balance of acceptable service levels.

In total, department net reductions are approximately \$16.3 million, or \$18.7 million if excluding the enhancements related to Racial Equity and Reconciliation Initiative. Of the

total net reductions, the Police Department's reductions made up the greatest portion at \$10.2 million or 63 percent. The Fire Department was next with \$2.8 million or 17 percent. All departments, while their dollar contribution to the total reductions are smaller compared to Police and Fire with smaller General Fund budgets, on average have taken a 4 percent reduction of their departmental budgets, representing a sizable budget cut. Individual departments may have higher or lower reductions as decisions were made based on the specific departmental proposals and acceptable service impacts. Additionally, if potential employee furlough savings are factored in, departments are cutting costs in FY 21 by an average of 9 percent of their budgets. For Police, this is potentially a \$12.9 million reduction in FY 21 at 5.2 percent of their departmental budget and for Fire it is potentially \$3.3 million at 3.2 percent of their departmental budget. See the "Executive Summary – Financials" chapter for additional breakdown of the dollars and position changes in the General Fund by department.

Below is a high-level summary of the departmental service reductions.

### ***Public Safety Reductions***

These items below are in addition to the reductions that are described in the "Re-envisioning Public Safety Service Delivery Methodology" above. In total, all reductions in the Proposed FY 21 budget resulted in 59 sworn reductions citywide in All Funds (54 from the Police Department and 5 from the Fire Department)

- Eliminate overtime budget supporting the South Division Pine Camera Program. This funding is mainly for additional support during the night time hours Thursday, Friday, and Saturday nights. The program will still be in place, just without this additional overtime support.
- Reduce the Vice Detail Unit from 9 positions to 8 positions, by eliminating 1 Lieutenant position. The 6 sworn positions and 2 civilian positions remaining will continue to research ABC licenses and compliance issues, issue and assess Entertainment Permits, perform backgrounds on marijuana business license applications, and investigate crimes, enforce laws, and participate in rescues related to Human Trafficking.
- Reduce the Narcotics Field Team from a total of 8 to 3 Police Officers. This will reduce the portion of the Drug Investigation Section that investigates local street sales. The remaining portion of the Drug Investigation Section will remain intact with 14 sworn positions and will be available to investigate large-scale narcotic crimes.
- Reduce the K-9 Team from 10 to 7 budgeted Police Officers. The remaining team will continue to utilize specially-trained police canines to assist in apprehending criminal suspects, conducting bomb and explosive detection and narcotics detection.

- Reduce overtime for police patrol in the South Division Tidelands area by \$83,034, representing approximately 88 10-hour shifts. About \$291,000 overtime dollars will still remain for this purpose.
- Eliminate 2 Police Officer positions from the LA County Metro contract per their request. The current staffing model provides ample coverage of the A Line.
- Eliminate the remaining Police Officer position assigned to the LBUSD School Resource Officer program per LBUSD's request.
- Reduction of \$1.9 million in the Fire Department. Specific service reductions have not yet been identified but the City will be engaging in a comprehensive study in FY 21 to evaluate their operations and identify specific strategies and approaches for areas of structural reductions to be implemented in FY 22 in addition to changes needed in FY 22 to address future deficits. In FY 21, this reduction will be covered on a one-time basis by a one-year delay of vehicle capital replacement collections for Fire's entire fleet. This results in the fleet becoming one-year older before replacement. Moreover, this approach should only be a one-year solution otherwise, there will likely be significantly higher costs in the future when vehicles need to be replaced.
- Transfer two HEART team units in the Fire Department to the Health Department, eliminating 4 budgeted Firefighter positions. This is part of the restructuring of the HEART teams to be staffed by Nurses with a greater public health focus as discussed in the Racial Equity and Reconciliation section above.
- Elimination of 2 Public Safety Dispatcher positions in the Disaster, Preparedness, and Emergency Communications Department. Dispatchers have been staffed below the budgeted levels due to hiring and training challenges, but there have been great strides recently to hire up to the budgeted levels. During FY 20, the City Council approved a new salary range for Dispatchers to be competitive with salaries offered by other agencies and assist with retention. Reducing current staffing levels by two positions will impact overall 9-1-1 operations given minimum staffing levels necessary to reduce mandatory overtime, but the Department will keep working retain, hire, and train quality Public Safety Dispatch staff. After this reduction, 71 dispatch positions will remain to provide critical 9-1-1 services to the residents of Long Beach.
- In the Tidelands Operating Fund in the Fire Department, elimination of a Marine Safety Officer position and the reduction of budgeted Non-Career lifeguard staffing by 10 percent from 20.83 FTEs to 18.75 FTEs. A Clerk Typist will be upgraded to an Assistant Administrative Analyst position to help the department reallocate internal duties to maintain the Junior Lifeguard Program. The reduction to seasonal Lifeguards will result in 5-7 fewer Non-Career Lifeguards on the beach on any given day, which may delay emergency response and enforcement of municipal codes along the beaches. Remaining staff will continue to focus on prioritizing life-

safety responsibilities, including water rescues, 9-1-1 calls, sting-ray medical treatment, and other beach related medical calls for service. The reduction of one Marine Safety Officer may limit the effectiveness of dive operations and will result in diminished supervisory staff of seasonal Lifeguards during the peak summer season. The Junior Lifeguard program will no longer have a Sworn Marine Safety Officer to oversee the program, as these duties will be transferred to a civilian program administrator and a Marine Safety Captain.

### ***Administrative Services Support Reductions***

The proposed budget includes a variety of reductions to administrative staff and programs, with the intent to redistribute workload among remaining staff. Effort will be made to maintain workload, but will likely result in delays, greater strain on an already challenged staffing capacity and workload, and less staffing flexibility to respond to organizational issues and analysis in a timely and accurate manner. Below are some examples:

- Reduction of 0.5 of the Assistant to the City Manager-Administration position as well as the reduction of 0.5 of the Manager of Cannabis Oversight position in the City Manager's Office, resulting in the reduction of one net Assistant to the City Manager position. The Department will reorganize the work assignments to redistribute this work internally but will have limited capacity to respond to special requests or analysis for both the cannabis program and internal departmental budget and special project management. Further impact of the Cannabis Manager reduction is described in the section below on cannabis program reductions.
- Eliminate 1 License Inspector and 0.75 Non-career Customer Service Representative positions in Business License Division in the Financial Management Department. This may limit proactive enforcement activities, but the Department will reassign non-revenue related work to non-inspector staff to minimize revenue loss. This will also make it more difficult to staff the phones and the counter at the Permit Center, but priority will be focused on staffing the counter at the Permit Center.
- Eliminate various administrative and clerical staff totaling the equivalent of 3 positions in the Community Recreations Services Bureau in the Parks, Recreation and Marine Department. Work related to scheduling of permits, reservations, budget monitoring and development will need to be absorbed by remaining staff creating capacity strain.
- Eliminate a Communication Specialist position in the Telecommunications data team in the Technology and Innovation Department. This reduces the data network team from 5 to 4 positions, which will increase workload for remaining staff and turn-around time. Department will work to mitigate some of this through improved workflows and prioritizations.

- Eliminate a Business Systems Specialist position in the Enterprise Information Services Bureau in the Technology and Innovation Department, which results in longer wait times for requests for service and project deliverables for utility services system needs.
- Eliminate an Assistant City Traffic Engineer in the Public Works Department. The work of supporting and mitigating traffic safety related concerns will need to be maintained by other staff. This will increase response time for traffic related requests, including but not limited to neighborhood traffic studies, plan review while also increasing time to deliver transportation related projects.
- Transition from a paid OpenGov subscription used to display City finances to a less expensive open source solution to display financial information.
- One-year temporary suspension of the Management Assistant Program in the City Manager's Office to generate one-time savings. This hinders the long-term goals of the City to invest in bringing in talent to the City for succession planning, continued quality organizational development, and support for City studies and efficiency improvements.

### ***Cannabis oversight and enforcement program reductions***

Total reductions to the citywide Cannabis Oversight and Enforcement Programs include the reduction of approximately 7 positions and savings of approximately \$983,000 in the General Fund. Excluding funding reallocations, these reductions represent approximately a 30 percent reduction of positions in the Cannabis oversight program. These reductions will have a service impact to the Cannabis Regulatory Program, as identified in the items below:

- Reduction of 0.5 of the Manager of Cannabis Oversight position and materials budget. With these reductions, the Office of Cannabis Oversight in the City Manager's Office will continue to be able to conduct business/community outreach, equity program implementation, coordinate departments on regulation and enforcement issues, and manage public and County/State coordination. However, with the reduction, there will be limited ability to respond to requests for special projects related to the Cannabis Program. In the past, these requests have included performing fiscal analyses for adjusting business license tax rates, analyzing the feasibility of new cannabis license types, and coordinating with other departments to improve various aspects of the regulatory program.
- Elimination of a Clerk Typist III, a Combination Building Inspector, and portions of a senior Combination and Principal Building Inspector working on code enforcement in the Development Services Departments. Remaining enforcement team will be 0.5 of a position plus a materials budget; the remaining staff will

continue to respond to requests for service and proactively identify businesses and structures that have not obtained the proper permits.

- Elimination of the Cannabis Deputy City Attorney position and reduction of \$150,000 in budget for outside legal counsel. Legal services for the current level of cannabis work can be maintained by reduced in-house staff with the assistance of outside counsel.
- Reallocation of 2 Environmental Health Specialists-NC positions from the General Fund to the Health Fund as the inspections for cannabis businesses are fee/revenue generating activities. There is no service impact as this is just a change in funding source.

### ***Community Services Reductions***

The proposed budget worked to minimize the negative service impacts to the residents as much as possible. Below are some areas of cuts to help generate savings needed to balance the budget, while balancing and prioritizing remaining services and programs.

- As previously noted in the Racial Equity and Reconciliation Initiative section above, 9 branch libraries (other than Main, Obama, and Twain) will go from being open 5 days a week to 3 days a week – Tuesdays through Thursdays. All the libraries will remain full service during the hours they are open. The Billy Jean King Main, Michelle Obama, Mark Twain libraries will go from being open 5 days a week to 7 days a week with upgraded services serving as the City's flagship libraries for all residents and serving both local and regional at a service level not available before in the City in recent history.
- Reduce one hour for the Summer Fun Day program at 19 sites and the Teen Center program at 4 sites. Currently, programs operate six hours daily during the summer from 11am to 5pm. This reduction would result in the programs operating from 11am to 4pm during the summer months.
- Reduction to legal services for outside real estate transactions, architectural services, and property maintenance in the Economic Development Department. Weekly proactive property maintenance visits will instead occur on a bi-monthly or monthly basis.
- Reductions in the Tidelands Operating Fund needed to generate savings due to the significant loss of oil revenue, and increased costs needed to cover debt service payments unable to be covered by other revenues. Additional information on Tidelands is discussed later in this report. Reductions include:
  - Eliminate all Landscape Contract supplemental funding in the Parks, Recreation, and Marine Department used for emergency work and projects



- that fall outside the regular scope of duties of the contract. Basic maintenance will continue to be done.
- Reductions in the Marine Bureau in Parks, Recreation, and Marine, including elimination of a Marina Supervisor and a Marine Agent II and reduction of Marina Agent III hours. Service impacts may include longer response times and delays in processing new/cancelled permits and constructions plans.
  - Reduction of landscape services in the Tidelands Area by 20 percent reflecting a shift from weekly mowing to bi-weekly mowing of green spaces, saving \$11,000.
  - Reduction of budget for tree trimming services along the Tidelands Area in the Marine Bureau. Tree-trimming and related services will be done every other year, saving \$25,000.
- Reductions in the Special Advertising and Promotions (SAP) Fund due to significant loss of revenue as impacted by the pandemic. The funds available for SAP is projected to steeply decline with these revenue losses and projected to potentially run out of all reserves in a couple years if no action is taken. Additional information discussed later in this report. Reductions include:
    - Reductions of 2.18 positions (Events Coordinator and Clerk Typist) and materials budget in Special Events and Filming in the City Manager's Office, which will potentially limit staff's ability to manage events and the scope of events.
    - Reduction of public affairs social media coordinator position in the City Manager's Office that supported communications, marketing and social media messaging; remaining work will be distributed within the Office of Public Affairs.
    - Reallocation of the General Fund portion of Community Information Officer in the Parks, Recreation, and Marine Department to SAP
    - Elimination of funding of approximately \$53,000 for community concerts that was added in FY 19 to support marketing, communications and increase program participation. This is intended to help offset the reallocation of the Community Information Officer.
    - Reduction of contract with Long Beach Museum of Art by \$18,450. Remaining contract amount is \$350,550.
    - Reduction of contract with the Arts Council for Long Beach by \$25,215. Remaining contract amount is \$479,085.
    - Reduction of contract with Long Beach Convention and Visitors Bureau by \$450,000. Remaining contract amount is \$4,608,676

### **New or Reallocated Revenues (Prong 3)**

Reviewing the City's revenues and maximizing cost recovery is a key part of budget planning, particularly when facing a shortfall. Below are some revenue related items that are included in the budget:

- Increase of business license tax structure for cannabis businesses as described in the sections above.
- The use of about \$4.5 million in additional Measure A funds to maintain Police and Fire services based on revenues that were previously anticipated to come in higher than projected. About \$435,000 of this is from the reallocation of the Fire's Measure A funded HEART team, as the HEART team will now be in the Health Department.
- Establish a new fee for youth sport registration of \$25 per participant per sports in the Parks, Recreation, and Marine Department. Currently, participants only pay a \$10 equipment fee. This new fee-based program will be coupled with a fee waiver program to accommodate low-income families.
- Increase Vehicle Entry fee at El Dorado East Regional Park by \$1 per vehicle.
- Increase El Dorado East Regional Park annual parking pass by \$5.
- Increase Beach Lot Parking Hourly Rate by \$.25 per 15 minutes.
- Structurally increase the Gas Fund transfer by approximately \$1.3 million (\$289,000 for CPI and \$1 million general increase). This increase is within the Measure M requirements and maintains the health of the Gas Fund funds available.
- Increase natural gas transmission rates in the Energy Resources Department. These rates have not been increased since 2016 and are 32 percent below current SoCalGas residential rates. The proposed natural gas transmission rate increase will result in an estimated increase to the average residential monthly bill of \$2.35, or an effective 10.4 percent overall increase for approximately 77 percent of ER's residential ratepayers. Even with this increase, Long Beach remains 7 percent below SoCalGas residential rates. Additional information on this can be found in the Executive Summary.
- Increase Towing fees by 8 to 17 percent to cover reduced towing volumes and additional Towing Operations costs.

The City is also engaged in a Citywide fee study that is analyzing the City's numerous fees and charges for services across various City departments. The study is anticipated to take several years with departments being evaluated on a rolling basis. In FY 20, the study began with the evaluation of the first round of services within the Parks, Recreation, and Marine, Development Services, and the Health Department. While there have been delays to the schedule due to staffing capacity as impacted by the pandemic, draft results are anticipated to be completed towards the end of FY 20 with recommendations that will be incorporated as part of the first FY 21 fee change process.

### **Assistance/Contributions from Employee Groups (Prong 4)**

Across the nation, states, counties and cities are engaging their employee unions in an active dialogue about fiscal sustainability. In Long Beach, as a result of these unexpected economic circumstances, the City is seeking savings of at least \$11 million in the General Fund through employee furloughs and other additional employee contributions and savings from employee labor groups to help blunt the major cuts required to balance the budget. Eleven million in savings represents 26 days of furlough during the year, which is preliminarily included in the Proposed FY 21 Budget. These potential savings, however, are currently being negotiated and not yet finalized.

Furloughs are a one-time solution to a structural problem as it does not represent a permanent reduction in work hours or compensation. Any use of furloughs to balance the budget will shift the structural shortfall needing to be resolved to the next fiscal year. In addition, the furloughs represent a 10 percent loss of pay for many of our non-sworn employees and implementing the furloughs will likely require the closure of City services one day every two weeks, resulting in loss of service to the community and overall impact on organizational capacity by 10 percent.

However, with the cooperation and assistance from our employee groups, these potential savings generated from furloughs would provide immediate short-term relief that avoids significant layoffs, which would have a severe impact on the community and the employees. The savings from the furloughs is approximately the equivalent of saving 106 positions being cut from the budget and avoiding numerous layoffs. With the magnitude of the issues the City is facing this year with the \$30 million shortfall, the response to the pandemic, and grappling with racial equity, this support from the employee groups would be a tremendous help.

The City truly appreciates the collaboration and partnership of the employee unions, the hard work of the employees they represent, and their willingness to come to table to discuss solutions to help the City during these unprecedented times. We will continue to engage with the employee labor groups in the hopes of coming to fair and mutually beneficial agreement.

### **Strategic Investment (Prong 5)**

Providing funding for strategic investments, while incurring short term costs, can have long-term benefits and savings and help avoid even greater costs in the future.

#### ***Structural Strategic Investments***

As part of the balanced budget outcomes approach, the goals are to be able to maintain capacity to meet required local, State, federal mandates and legal requirements; to ensure adequate support staffing for front-line services and systems; and to respond to

City Council's priority requests. Below are investments included in the proposed budget to achieve these goals.

- Add funding for Grounds Maintenance needs to upkeep the newly acquired Sunnyside Cemetery, which was a Mayor and City Council priority, estimated at approximately \$301,000.
- Add an Assistant to the City Manager to provide Ethics Commission staff support, including studies, reports and consulting services for the Commission. The Ethics Commission is a newly added function per the Charter, as authorized by Measure CCC, and was a Mayor and Council priority. Actual staffing needed is likely two or three positions as well as outside contract support, but due to the fiscal challenges, one position is recommended at this time and workload will be adjusted accordingly.
- Reallocate \$150,000 from the Cannabis program to support legal services related to the Ethics Commission in the City Attorney's Office. These funds will go towards staffing monthly commission meetings, providing legal advice, preparing legal opinions, ordinances, researching City and State ethics issues and practices, and presenting such items to the Commission.
- Add 10 Administrative focused positions in the Health Department to provide the critical grants and personnel management, accounting, purchasing and procurement, and analytical support needed to adequately manage significant number of grants, particularly as impacted by the pandemic. Positions to be funded by the administrative allocation portion of various grants.
- Add an Assistant Administrative Analyst in the City Manager's Office to coordinate the California Public Records Act (PRA) process citywide and assist with other administrative functions. Pursuant to the PRA, access to information concerning the conduct of the City of Long Beach is a fundamental right. This position will help the City meet its legal obligation to make records available to any person, upon request in accordance with the law. This position will also assist with the payment and procurement process within the department.
- Reduce positions and implement reorganizations the Accounting Bureau in the Financial Management Department to generate savings to add a Grants Officer and an Administrative Analyst III in the Accounting Bureau for critically needed oversight and controls with regards to reporting for projects and grants. This position will oversee the accounting and documentation processes for FEMA, CARES Act and other State and federal grants so that the City's cost recovery claims can stand up to oversight audits.
- Add 1 Veterinarian and \$100,000 for medical supplies/pharmaceuticals budget in the Parks, Recreation, and Marine Department, to address animal medical needs and to support the Compassion Saves program mandated by the City Council.

Actual costs may exceed this amount, but this will be a significant step to align the budget with the actual need.

- Increase budget for water needs by \$336,400 in the Parks, Recreation and Marine Department to cover for the 12 percent water rate increase in 2019 as well as the anticipated 6 percent increase in 2020. This will allow the department to keep current water usage, which is still much less than actual plant need (at 54 percent of actual plant need) and to help mitigate safety issues such as urban tree failures.
- Increase budget by \$100,000 for landscape maintenance contract for medians in the Public Works Department to adequately maintain the medians at current levels of maintenance.

### ***One-time Strategic Investments***

The following are strategic General Fund one-time investments included in the proposed budget, funded with other one-time sources as well as use of reserves. Due to the significant shortfalls the City is facing in both FY 20 and FY 21, sources of one-times for strategic investments are severely limited and in this case requires the City to utilize some of the reserves, further described in the Budget Balancing section below.

- One-time funding of \$1,500,000 for both the runoff elections anticipated for November as well as the cost of a November ballot measure.
- One-time funding of \$1,172,500 to support Redistricting efforts in the City Manager and City Clerk's Office including advertising and staffing costs needed to comply with Measure DDD approved by voters, as well as support for Census efforts.
- One-time funding of \$200,000 to fund a comprehensive study for the Fire Department to analyze operations and identify a strategic plan for future reductions, changes in operations, and/or revenue increases to both identify the \$1.9 million in structural solutions in the Fire Department for FY 21, and potential future structural solutions for FY 22.
- One-time funding of \$255,000 for citywide Homeless rapid response efforts
- One-time funding of \$600,000 to supplement the water budget for plant needs in the Parks, Recreation, and Marine Department to mitigate structural underfunding of budget needed to avoid safety issues such as urban tree failures.

**Attachment D “General Fund Strategic One-time Investments”** also provides this summary.

### ***Citywide Strategic Studies***

As mentioned in various sections of this document, the City is investing in strategic studies that will begin or continue in FY 21 to help arm the City with data and information that will guide thoughtful decision making and actions to promote best practices and strengthen financial standing.

- A comprehensive study on best practices for CPCC operations and the potential for a ballot measure to implement change to their duties and authority.
- A comprehensive study for the Fire Department to analyze operations and identify a strategic plan for future reductions.
- Continue the multi-year citywide fee study analyzing the City's numerous fees and charges for services across various City departments to determine the most appropriate rates and maximize cost recovery.
- City Energy Efficiency Savings Study – evaluate the potential for a study utilizing AB 32 funding to fund capital projects that will reduce green-house-gas and save costs.

### ***Police and Fire Academies and SAFER Grant***

In FY 20, the Police and Fire academies were originally scheduled for July and August, respectively. Due to the pandemic and resulting projected budgetary deficits, staff have studied ways for the academies to be conducted safely, while simultaneously limiting the impact the academies may have on projected shortfalls. As a result, the Police Academy was moved to start in October of 2020 with a reduced academy size of no more than 40 recruits. The Fire Academy was moved to start in late September of 2020 with a reduced academy size of no more than 24 recruits. Despite the reduction to the budgeted sworn staffing levels proposed in the FY 21 budget, staff continues to recommend moving forward with these academies to invest in the critical operational needs of both departments. It is anticipated that the attrition levels will be higher than originally expected, which will potentially create vacancy savings that will allow the academies to be conducted without needing additional funding. However, if the attrition savings do not materialize, other one-time funding sources will need to be identified to cover the costs of the academies with the primary option being unallocated future Measure A revenues. This situation will be assessed during FY 21 and any use of one-time funding including Measure A funds will be brought back to City Council for review.

Investment in a Fire Academy will help staff critical Fire Department operations. However, the budgeted and actual staffing levels, while meeting operational needs, will not be high enough to meet the requirements of the Federal SAFER grant, which was awarded in September 2019. To meet the staffing levels required by the grant, the City would need to conduct a second academy in FY 21, costing an additional \$1.6 million in one-time



funds that would need to be identified and would preclude the Fire Department reductions that are necessary to address the structural shortfall situation. Trying to achieve this staffing level to secure a grant would not make financial or budgetary sense in the current fiscal situation. Receiving the SAFER grant would actually cost more than what the City would receive. This was known to be a potential issue when applying for the Grant, but as the budget situation then was not as uncertain and because the Grant could be turned down after it was awarded, it was prudent to apply for the Grant and hope for a positive budget situation. Staff intends to forego receipt of the SAFER grant to avoid higher costs and overstaffing. There is no funding that would need to be returned to the federal government as the City has not yet drawn down on the SAFER grant.

### **ALTERNATIVE BUDGET REDUCTION OPTIONS**

The size of this budget shortfall and the many needs that exist made the preparation of this proposed budget particularly difficult. The extreme difficulty of what to cut and what to include is faced by many cities and governments. While work was done to maintain services at an acceptable level, this budget still reflects the difficult decisions and tradeoffs that had to be considered to keep the City on a fiscally sound foundation and on a path of long-term stability and service delivery. These decisions were made based on looking at a variety of options and working to minimize further cuts into Public Works, Parks, Recreation and Marine, Library Services, and other departments that would have substantially and adversely impacted the quality of life in Long Beach.

Below are examples of service reductions that were considered but not included in the current proposed budget. As promised early in the budget process, this is being provided to show the City Council some of the other options that were considered and to shed light on the tough decisions that had to be evaluated when putting together the Proposed FY 21 budget. These options also provide a sense of scale of various potential reductions and the associated savings.

- **Eliminate a Paramedic Rescue** – This would result in reduced daily on-duty staffing and increased workload to surrounding rescues, while also leading to an increase in response times to medical emergencies citywide. Six budgeted positions would be eliminated with savings of approximately \$1.4 million.
- **Reduce a Paramedic Rescue to Peak Load Staffing** – This allows the Rescue to operate during times of heaviest call volume, usually during daylight hours. Six budgeted positions would be eliminated and replaced with the call-back overtime hours required to operate the Rescue for 12 hours per day. This would leave the area served without a nearby resource during nighttime hours of 8 pm to 8 am, resulting in longer response times to emergency medical incidents in that area and citywide. The savings are approximately \$881,000.
- **Elimination of Engine 17 one-year earlier** – Currently, the Measure A plan has set aside funds for 2 years of operating Engine 17 based on over-time. FY 21 is

the second year of this funding. If Engine 17 was eliminated in FY 21, \$2.4 million of Measure A funding would be freed up as a one-time source. There would be no structural savings as Engine 17 is currently funded with one-time dollars.

- **Elimination of an Engine** – This would result in reduced daily on-duty staffing and increased workload to surrounding engine and truck companies, while also leading to an increase in response times to fire and medical emergencies, citywide. 12 budgeted positions would be eliminated with savings of approximately \$3 million.
- **Eliminate the South Division Pine Police Overtime Program** – The Police Department is budgeted \$725,000 to provide additional patrol units in the Downtown Entertainment District with special emphasis on Pine Avenue. This appropriation supports approximately 8,000 hours of overtime. Eliminating this would be the equivalent to approximately four Police Officers with a savings of approximately \$725,000.
- **Reduce the Gang Enforcement Unit** – The Police Department operates a Gang Enforcement Unit to respond, investigate, arrest and charge criminal activities related to gang activity. This unit is currently budgeted with 16 sworn positions. Any reduction to this Unit will impact the available sworn staff who may respond on an on-call basis to shootings, stabbings and other violent crime. Each position cut would save approximately \$233,000.
- **Eliminate Quality of Life Program** – Eliminate four Police Officer positions assigned to the Quality of Life Program and one officer position that is being requested to convert to a QOL sergeant position. There are four police officers funded by Measure MA and Measure A funds to perform quality of life outreach and enforcement services to persons experiencing homelessness. These activities will be required to be handled by other departments. General calls-for-service police officers will serve as the available positions should enforcement requests be needed. Five budgeted positions would be eliminated with savings of approximately \$956,000.
- **Reduce funding for Animal Care Services** – Elimination of an Animal Services Operations Supervisor would eliminate one of two supervisor positions in Animal Care Services, with the remaining supervisor needing to oversee both Field Services Operations and Shelter Operations. Elimination of three Animal Control Officers would impact work and coverage in dispatch, field, investigation and clerical. Four budgeted positions would be eliminated with savings of approximately \$296,000.
- **Reduce funding for encampment cleanups and outreach for people experiencing homelessness** – This would eliminate the Health Department's ability to respond to the clean-ups of homeless encampments and could negatively impact the health of the public as well as people experiencing homelessness (PEH), especially during the COVID-19 pandemic. Furthermore, this cut will reduce

outreach incentives such as food items, hygiene kits, and other basic necessities, resulting in a decrease in the number of participants seeking services at the Multi-Service Center. Additionally, the City will not be able to fully fund the annual, mandated point in time (PIT) homeless count, which would limit the City's ability to recruit and deploy enough volunteers to conduct the count effectively. This could lead to a misrepresentation of data, and ultimately a reduction in homeless grant funding for the City. This reduction would be a savings of about \$80,000.

- **Eliminate services for disabled and homebound patrons and volunteer service programs at Main Library** – This reduction would include the Center for Adaptive Technology and volunteer service programs. There would be a loss of volunteer hours and the library would cease to be a repository for government publications. A 0.65 budgeted position would be eliminated with savings of approximately \$215,000.
- **Close all branch libraries except for Main, Obama and Twain Libraries** – The three remaining libraries would become flagship libraries that would have enhanced services, open seven days a week. Approximately 17 budgeted positions would be eliminated with a savings of about \$1.7 million.
- **Close four branch libraries** – Potential closure of four branch libraries. Approximately 18 budgeted positions would be eliminated with a savings of about \$1.7 million.
- **Elimination of various Parks programming such as Be SAFE structural funding, summer swim programs, and the adaptive program at Stearns Park.** – The reduction of \$80,000 of structural funding for three Be SAFE sites that was in place in 2017 would make the entire program reliant on annual one-time funding. Lack of one-time funding would likely result in the reduction or elimination of the entire program. The elimination of the summer swim programs at Jordan and Millikan School Pools would include swim lessons, recreational swim, and lap swim. Last summer the daily average use was approximately 178 participants. 0.97 budgeted positions would be eliminated with savings of approximately \$38,000. The elimination of the Adaptive Recreation programs for youth and adults with high functioning disabilities would impact the opportunity program participants are provided to develop music and art abilities, improve fitness levels and sports skills, and enjoy social interaction in the community. In FY 19, the program served over 6,000 participant activity instances, with Long Beach being one of the few cities to offer social integration programming for individuals with disabilities. Two budgeted positions would be eliminated with savings of approximately \$105,000. All together, these items would result in savings of approximately \$223,000.
- **Further Reduce Financial Management Positions** – Reduce additional positions that would significantly reduce basic accounting and customer service capacity. This would result in a significant and risky reduction in controls and financial oversight, impacting basic analysis and potentially revenue

generation. The reductions not taken include project and grant accounting positions that could lead to problems with tracking the status of projects and their associated grants, and potentially result in the City needing to return funds back to the remitting agencies (Prop A, Prop C, grants, etc). The Department of Financial Management already has one of the largest reductions this year, saving a net \$1.3 million in the General Fund. The ability to perform financial administrative tasks and service customers is already somewhat impacted; these additional reductions would have significantly further impacted financial controls and the quality and timeliness of financial reporting and customer service.

- **Reduce Graffiti Program** – Reduce the five crews currently contracted to abate graffiti citywide to three crews. The remaining crews would provide for weekday service and continue with one crew on the weekends. Each crew abates on average about 13,200 sites annually. Response time would increase from 1-2 days to 3-5+ days (95 percent of the time). Approximately 26,400 sites of abatement would be reduced. This would be a savings of approximately \$350,000.
- **Reduce Tree Trimming Contract by 50 percent** – Reduce the budget available to spend on the tree contractor by 50 percent. Reducing the tree trimming services budget will lower the number of trees trimmed annually by the contractor from approximately 15,000 to 7,500. The reduction will extend the tree trimming cycle from six years to twelve years. Extending the tree trimming cycle will increase the number of emergency call-outs. Also, the number of clearance trims will increase primarily for street light safety, traffic sign visibility, and vehicle and pedestrian path of travel. Reducing tree trimming activities will likely increase the number of liability claims filed with the City Clerk and eventually awarded. This would be a savings of approximately \$500,000.
- **Reduce street/pothole repairs** – Reduce the number of pothole crews from four crews to two crews. Currently potholes are filled between 18-30 days after notification, with faster response times on arterial streets with safety concerns. If the number of crews is reduced to two, there would be an approximate 65 percent reduction in the number of potholes filled. Currently the average annual number of potholes filled is 30,000 and would be reduced to approximately 10,500 annually. The efficiencies of the current grid-based crew assignments would be lost as two crews have to cover a larger territory to address City Council and resident requests, and safety concerns. Response times would lengthen to 70 days or more and the pothole backlog would increase. The Street Operations backlog is approximately 9,000 service requests. These positions also support emergency response, special events, weed abatement and City Council and resident requests. Eight budgeted positions would be eliminated with a savings of approximately \$485,000.
- **Reduce Park maintenance funding.** Reduce various park maintenance funding, such as a reduction in contractual services for facilities maintenance related to safety repairs in the Parks, Recreation and Marine Department. A 60 percent

reduction of this budget will impair the department's ability to address safety needs related to roofing, concrete, pothole repairs, playground resurfacing, skate park repairs, and fire alarm system inspections & repairs. This reduction could lead to unsafe parks and facilities, as well as impact deferred maintenance leading to costly repairs in the future. This would save approximately \$90,000. Another example is the reduction of playground equipment replacement funding. The City continues to upgrade and install new playgrounds through Measure A funding. Many of the elements are not holding up to the wear and tear due to usage and are not covered under the manufacturer's warranty. Once the remaining budget is depleted, staff will board up and remove deteriorated/damaged slides and equipment, taking away from the public's ability to fully utilize the equipment. This will save \$75,000.

- **Reduce budget in the Facilities Division for carpentry, paint, plumbing, building materials, small tools, equipment and welding supplies by 32 percent** – Carpentry reductions will reduce the ability to board up broken windows, doors, secure buildings, and repair fencing and benches. Staff will be unable to render these areas safe leaving the parks at risk for vandalism, theft and other illegal activities. Painting reductions will lead to unsafe sports courts due to cracks and chipping and will continue to deteriorate and increase future costs. Electrical reductions will not allow for the use of brighter, energy efficient bulbs that save energy. Plumbing supply reductions will result in fewer available drinking fountains, toilets, and sinks as the old ones become rusted or damaged at parks and community centers and are removed. This would save approximately \$131,000.
- **Reduce pumps and lake permits contractual services in Grounds Maintenance** – Reduce budget in the Grounds Division for contractual services by 46 percent related to pumps, lake permits, environmentally sensitive area maintenance, compliance management and biological surveys. This funding serves to supplement the shortfalls in budgeted contractual services. An example can be found in the structural funding for pump repair which is \$25,000 annually. Due to antiquated equipment, the funding need regularly outpaces the structural budget. This reduction will minimize the ability to repair pumps and apply for California Department of Fish and Wildlife and Waterboard permits. This would save approximately \$100,000.
- **Increase Parking Citations Fines** – Increase parking citations fines by \$5. A preliminary estimate of the additional revenue is over \$900,000. While this is technically not a reduction, it reflects a cost impact to the community and would be a significant burden on residents who are already impacted by the pandemic.

### **UNFUNDED OPERATIONAL NEEDS**

No budget can address all the needs or services that are wanted by the wide variety of constituents and businesses in a City. What is funded is always limited by the available

resources, the amount of resources the voters wish to provide, and then allocated to services by the budget. This budget year with the pandemic, the need to address racial equity and reconciliation, and the major budget shortfalls has been particularly difficult to address.

There remain numerous operational needs that are unfunded or underfunded, including funding for some priority initiatives requested by the City Council. Again, this reflects the difficult choices and tradeoffs that need to be considered when working to address the needs of the community, the City, and address a significant shortfall. The list below provides examples of underfunded needs and projects.

- **Impact of using alternative weed control in City parks** – In August 2018, the City Council moved forward with the recommendation to discontinue the use of glyphosate (Round-up), an herbicide, and develop more sustainable weed control strategies. Since then, strategies have shown that alternative herbicides are less efficacious (more frequent applications and less vegetative control) and more expensive per treatment. In order to achieve the horticultural standard set in the City's landscape/grounds maintenance contracts, additional labor and increased materials are needed to accomplish what was previously done using glyphosate. The additional cost is estimated at over \$480,000. The proposed budget could not support this additional cost and the cost will be absorbed within parks maintenance with the likely result of more weeds, including on curbs and a lower level of overall parks maintenance.
- **Additional Animal Care control medical costs** – the proposed budget includes an enhancement of approximately \$300,000 for a Veterinarian position and materials funding to support the "Compassion Saves" program. However, the funding required to fully support program requirements to increase the number of animal spayed/neutered by 3,000 annually and to cover the increasing cost of medical supplies and pharmaceuticals, is estimated at an additional \$400,000.
- **Structural Funding for Engine 17** – The engine is currently funded per the Measure A spending plan approved in FY 20. It was funded using Measure A funds for two years and FY 21 is the second and last year of funding. It was hoped that with the federal SAFER grant, along with an unspecified source of an additional \$2 to \$2.5 million, the engine could be funded through FY 23. However, since the time of the original SAFER application, it has become clear that the cost to maintain the staffing level required of SAFER does not make financial or budgetary sense in the current environment – getting the SAFER grant would actually cost more than what the City would save. Staff intends to forego receipt of the SAFER grant for that reason, and Engine 17 remains unfunded past FY 21, unless additional funds are identified in future budgets.
- **Armory Maintenance Costs** – Fund for property maintenance costs associated with the Armory site is currently unfunded. The Economic Development Department is responsible for this site and requires funds to provide security,

utilities, landscaping, and general upkeep of the property. An estimated \$340,000 is needed to prevent disrepair of this community asset and to ensure the site does not become an attraction for nuisance activities. The Department is looking for alternative solutions and this will be revisited later in the year.

- **Fireworks enforcement taskforce** – This year, Long Beach, along with many other cities, saw a major increase in the use of illegal fireworks. As a result, the City Council has directed staff to create an Explosives and Fireworks Action Plan to address the illegal use of fireworks and explosives in Long Beach. This effort will require additional staffing across various departments for various education and enforcement and technology costs currently estimated at \$500,000.
- **Additional Ethics Commission support** – In November 2018, Long Beach voters approved Measure CCC, which created in the City Charter an Ethics Commission for the purpose of monitoring, administering, and implementing governmental ethics in the City. The Commission was established without a formal budget. A recent City Auditor audit on ethics made recommendations that would likely require two to three full-time staff, support from the City Attorney and potentially outside counsel, and a training budget, for full implementation. This proposed budget adds one position in the City Manager's Office and reallocates \$150,000 from within the City Attorney's Office to support this commission but full implementation of the recommendations remain underfunded.
- Additionally, throughout the year, City Council requests staff to report back and/or provide information on various projects and priorities to potentially implement. Many of these projects and priorities do not have full funding. See the list below for examples of these larger scale projects that have been requested by City Council but have costs that remain unfunded. For more information on the specific requests and dollar amounts, please refer to the To/From/For memos provided by the City Manager to the Mayor and City Council during the FY 20 year:
  - Everyone in Implementation
  - Long Beach Justice Fund
  - Compassion Saves additional implementation
  - Safe Streets action plan implementation
  - Youth Strategic Plan implementation
  - Street Performer Study implementation
  - Red Curb Study Implementation
  - North Long Beach Higher Education Center implementation
  - Contracting in all security services
  - On-call storage plan for homeless services
  - Construction funding for the African American History Museum
  - Land Use Element Implementation
  - Long Beach One Card Implementation
  - Public Banking

## **UNFUNDED LIABILITIES**

In addition to unfunded and underfunded operational needs as described in the section above, there remain important unfunded short-term and long-term liabilities most of which are long-standing. Below are examples (not a comprehensive list) of these liabilities:

- **Structural Balancing of the Budget** – As described in the main City Manager’s budget message, this budget is balanced using a combination of structural (permanent) reductions and revenue enhancements, along with about \$14 million of one-time funding, mostly from anticipated furloughs. This adds \$14 million in structural solutions that need to be resolved in FY 22 in addition to the anticipated shortfall for FY 22. The intent is to find the structural reductions, revenue enhancements and adjustments needed to structurally balance the budget in FY 22, or at worst by FY 23. See comments below on the Future Outlook and Plans for more detail.
- **Major infrastructure maintenance and facility improvements** – In terms of infrastructure needs, the City has been conducting studies to ascertain the level of funding needed to repair and/or maintain infrastructure. Sidewalk assessment, road and street condition, and alley assessment studies have all been recently completed and a facilities condition assessment is currently underway.
- **Sidewalk ADA Compliance** – The City entered into a consent decree for substantial expenditures over the years to ensure ADA compliance for sidewalks. This will be built into the Sidewalk Management Plan (below). The distinction is that the ADA expenditures must be made independent of the City’s financial condition. The City can control the timing, but care must be taken in doing that so that residents in the future are not unduly burdened with costs.
- **Sidewalk Management Plan** – The City recently completed a comprehensive review of the City’s sidewalk infrastructure. This plan found a need of over \$631 million (includes ADA curb ramps) for investment in the City’s sidewalks.
- **Tree Trimming Cycles** - The City's tree management program for parks consists of emergency trimming for safety purposes only, mainly around buildings and playgrounds. The standard of arbor care indicates that regular grid trimming will enhance the longevity and safety of the urban forest. An annual funding increase of \$560,000 is needed to support a five-year tree trimming cycle to maintain healthy trees in City parks. In addition, street tree trimming is on a 6-year cycle. Going to a 5-year cycle would require an additional \$350,000 a year.
- **Plant water needs** – The proposed budget includes an enhancement that increases water budget for plant needs to account for the water rate increase. With this increase, the budget remains at 54 percent of actual plant need. Approximately \$1.5 - \$2 million of additional structural funding would be needed to fully address the water needs and safety issues, such as urban tree failures.



- **Self-insurance funding and General Liability** – The General Liability and Workers Compensation self-insurance funds need additional funding to meet actuarial estimates. In particular, the General Liability Fund needs major adjustments. A major adjustment to General Liability was included in the FY 21 budget, but it is not clear whether the adjustment will be adequate or not. More analysis on both these funds will need to be done for FY 22.
- **Funding the Cost of oil well abandonment** – The City receives revenue from oil wells. As a result, under State law, the City has a fiduciary responsibility to ensure all oil wells within its jurisdiction are properly abandoned at the end of the life; that is an annual cost of operating the oil wells and deriving revenue from them. Currently, the annual cost of creating the necessary oil abandonment reserves is \$5.9 million for the Tidelands Fund and \$1.3 million for the Uplands Oil Fund. Due to the steep decline in oil prices and its impact to net oil revenues, the unfortunate recommendation is to not pay into the oil abandonment reserves for FY 20 and FY 21 and potentially only partially in FY 22. This practice helps preserve operations in the Tidelands and the General Funds but pushes these costs to future budgets and to residents in the future.
- **Pension and other post-employment benefits** – Long-term pension liabilities are a major concern. The impact of the pandemic on investment returns is anticipated to have a negative impact on pension funding needs, but the full impact of this is not yet known and will be closely monitored.
- **Implementation of the Climate Action and Adaptation Plan (CAAP)** – The CAAP concludes that daily flooding due to sea level rise could cost the City an additional \$26 million in damage to transportation infrastructure on an annual basis by 2030. Other aspects of climate change also are damaging. The CAAP identifies steps the City could take but total costs are very high and are not funded.
- **Preparation for the 2028 Olympics** – the City has committed to 8 important infrastructure investments to support its role hosting the Olympics in 2028. The City has been awarded key sports events including: Handball, Triathlon (Olympic and Paralympic), Marathon Swimming, BMX Racing, Water Polo, and Sailing. The eight projects (and initial estimated costs) are as follows – Belmont/Veterans Pier Rebuild (City funded - \$25 million gap); Belmont Pool (City funded, \$20 million gap); Lifeguard Towers (City funded, \$1.5 million gap); Beach Concession Stands (City funded – underway, fully funded); Arena Improvements (City and Private funded, \$50 million gap); Pine & Ocean Hotel (Private Funded w/ city tax incentives assisting); Airport Improvements (Airport funded, status uncertain); Metro Blue Line Improvements (Metro and City funded; completed in 2019). There is also expected one-time City hotel/convention center revenue loss from the Olympics that ideally should be funded in advance. Reserves that could have been used for the Olympics may need to be spent down over the next few years to deal with the current financial and budget crisis.

## **BUDGET BALANCING AND FUTURE OUTLOOK**

### ***General Fund***

The City had a \$30 million shortfall in the General Fund to solve for FY 21, the largest shortfall the City has had to resolve in recent history. The Proposed FY 21 budget resolves the shortfall and balances the budget through combination of structural solutions (\$16.6 million) and one-time funding strategies (\$13.9 million). Given the level of uncertainty that exists with the economy and future, and the negative implications to the community of more severe service reductions, the use of one-time funds is a recommended strategic element for balancing FY 21. It is the first step of a multi-year strategic process of evaluating and prioritizing City services and creating the time and space to do this in a thoughtful way.

City departments generated a net \$16.3 million in savings through a combination of reductions, revenues, reallocations, and enhancements. However, about \$1.9 million of these annual savings are not expected to be realized in FY 21, due to expected delays in implementation of some reductions, e.g., some reductions will require a Prop L study before implementation. A Prop L Study is a Charter requirement before some services can be contracted out. These delays are factored into the budget. Additional solutions were generated from increasing the cannabis business license tax (as previously authorized by the voters) and savings from reductions in internal service departments (i.e. Technology and Innovation Department and Fleet Services Bureau) that generated lower charges to the General Fund – all totaling about \$2.2 million. The City is also seeking assistance from the employee labor groups through the implementation of furloughs or other solutions to help generate at least \$11 million for the General Fund. Finally, the City is proposing to utilize \$2.9 million in reserves to fully balance the budget.

The proposed budget also includes allocations for critical strategic one-time investments for items such as redistricting and homelessness rapid response. As it is not anticipated that there will be any surplus funds at the end of FY 20 to support these one-time needs, this budget assumes the need to draw down on an additional \$3.3 million of reserves.

In total, the anticipated use of reserves to balance the structural shortfall and cover one-time critical needs is \$6.1 million. Currently the City's operating reserve has \$13.5 million (including \$1.7 million in the Measure B Budget Stabilization Reserve) and the Emergency Reserve has \$45.5 million. It is anticipated that some of these funds may be needed to help resolve the FY 20 shortfall as well. It is uncertain at this time how much of the reserves will be available at the beginning of FY 21. The proposed use of these reserves is only due to the unprecedented situation as exacerbated by the pandemic, the magnitude of service reductions to the community that would have been needed in one year, and the significant level of uncertainty in knowing how the economy will respond to events in the short and long-term.

Table 1 below shows the General Fund budget outlook for the next four years, which includes estimated impact of the pandemic on revenues and potential cost of living wage

increases for employees, which will be revised based on actual negotiated employee contracts. This outlook shows significant challenges ahead and the need for the City to be proactive in its strategic planning. The City Manager and City staff will be working on strategies and solutions throughout FY 21 to prepare for the future.

Table 1: General Fund Surplus / (Shortfall) in \$ Millions*					
	FY 21 Proposed	FY 22 Projection	FY 23 Projection	FY 24 Projection	Total
<b>Surplus/(Shortfall)</b>	-	(32)	(23)	(22)	(76)

\* This chart assumes that any shortfalls are structurally solved each year.  
 \*\* FY 22 figures include approximately \$14 million shortfall from FY 21 that was balanced with one-times

As is always the case with projections, the outlook will change over time as more information becomes known. This year in particular, there is even greater uncertainty as the status of the pandemic and its lasting impact on the economy is unknown. Additionally, there is the possibility of Federal and/or state support that could provide relief and supplemental funding for the City that could both address resident and business needs for assistance as well as offset lost revenue to the City and allow it to better provide services. This outlook does not factor in these potential relief packages due to their substantial uncertainty both as to whether they will materialize, what the requirements and restrictions would be, and what special resident and business needs there will be at the time. The situation will be carefully monitored and if federal or State funding becomes available, the budget can be modified.

The Executive Summary chapter further describes the budget balancing strategies as well as provides details on the General Fund revenue and expense drivers and trends.

### ***Special Advertising and Promotions Fund***

The Special Advertising and Promotions Fund Group (SAP) has been severely impacted by the pandemic, as Transient Occupancy Tax (TOT) is the fund's main source of revenue and is experiencing severe losses with the shut-downs and dramatic slowing of the tourism industry. TOT revenue has historically been incredibly volatile and has demonstrated slow recovery in past downturns and recessions, not returning to previous revenue levels for many years. The City is currently facing these challenges and risks. In the FY 20 projections, the Fund started with approximately \$5.5 million in funds available and is projected to end the year at a negative \$500,000 if no action is taken. This would require dipping into the \$5.2 million operating reserve to balance the year. With current projections showing continued impact of the pandemic on revenues into FY 21 and FY 22 despite some recovery and growth, the situation could deplete all the remaining operating reserves by FY 22 or FY 23 with no backup funding sources remaining. To begin to address this serious situation in SAP, the FY 20 one-time projects are being evaluated to see what could be defunded to generate savings. Any recommendations will

be brought to City Council. The Proposed FY 21 Budget also includes about \$850,000 in reductions that are necessary to start scaling back costs during this downturn, and there will likely need to be further reductions in future years. Even with additional sizeable budget reductions in future years, given current revenue status, the projections still anticipate a rapid decline in funds available and the City will need to very closely monitor the situation and maximize any opportunity to generate savings or preserve funding.

### ***Tidelands Operating Fund***

The Tidelands Fund has also been severely impacted by the pandemic with heavy losses in oil revenues in FY 20. In an historic event, the prices of oil even went negative for one day. With an assumed price of oil at \$35 per barrel in FY 21, projected revenues are still 30 percent lower than the FY 20 adopted budget levels. In addition, the Tidelands Operating Fund is likely to need to pay some previously unanticipated debt service on one or more bond issues that would normally be covered by other sources such as rent paid by the City's Aquarium and Passenger Fees from Carnival Cruise Lines. These operations are all experiencing significant revenue declines as a result of the pandemic. In addition, the temporary closing of the Convention Center due to the pandemic is expected to cost the fund over \$5 million in FY 20 and at least \$2.5 million in FY 21. To assist in mitigating these losses, staff is evaluating actions for any one-time savings from projects and operations that can be taken in FY 20 and is proposing a reduction of \$2.8 million in FY 21. Even with these actions, it is anticipated that the fund will need to draw down on some of its reserves. This combination of structural reductions and use of reserves (a "one-time" action) is recommended, as oil prices are assumed to slowly increase and the fund is projected to generate more revenue than expenses in future years. There are still many uncertainties and staff will continue to closely monitor the health of this fund.

More information on these funds and the status of key other funds can be found in the Executive Summary Chapter.

## **CITY BALLOT MEASURES**

In recent years, Long Beach has been very fortunate that voters have approved several measures, which support City services. To increase transparency on how those dollars are spent, this section specifically discusses the ballot measures and how the funds are being used.

### ***Measure A (2016) – Long Beach Transactions and Use Tax***

Measure A is a ballot initiative, approved by 60 percent of Long Beach voters on June 7, 2016, which added a transactions and use (sales) tax for a period of ten years. Beginning January 1, 2017, Measure A effectively increased sales tax by 1 percent for the first six years. After six years, and for the remaining four years, the tax increase is reduced to 0.5

percent. Measure A sunsets after 10 years. Recently, an extension to Measure A was approved on the March 3, 2020 ballot, which eliminated the 10-year sunset and keeps Measure A in effect until voters decide to end it at a later election. This new adoption authorizes the City to continue the additional sales tax beyond 2027, generating revenues at a maximum annual rate of one cent (1%) per the measure, until ended by the voters. The new dollars approved by voters in March 2020 do not begin to be realized until 2023, so these funds are not part of this budget.

Although Measure A is a general tax to fund City services, the City Council's intent is to prioritize spending of Measure A funds for the following purposes:

- Public Safety, including the costs of providing Public Safety services, consisting of: police patrol, response, investigation, apprehension and law enforcement, emergency 9-1-1 response, fire prevention and suppression services, paramedic services, and ambulance services.
- Public Infrastructure, including the costs of improving and maintaining streets, sidewalks and alleys, improving and upgrading the City's water system for conservation, and improving, upgrading storm water/storm drain systems and public facilities, including parks.
- As part of the measure to extend the tax, support for community health services related to the reopening the Long Beach Community Hospital was added to the resolution prioritizing Measure A funds.

In FY 21, an additional \$4.5 million of anticipated higher Measure A revenues was used for the maintenance of public safety, bringing the total Measure A funds used to maintain police and fire operations to \$26.4 million. This increase is made up of \$4.1 million that was previously anticipated and the remaining amount from the reduction of the HEART team out of the Fire Department to realize savings to the General Fund. This funding for maintenance is the equivalent to about 143 sworn positions, along with 40 public safety positions (37 sworn) that have already been added in prior budgets to enhance services to the community. In addition to the maintenance and enhancement to public safety, \$1.0 million is obligated for the Community Hospital reopening and \$18.5 million is allocated for infrastructure, including \$1.6 million for the new Station 9 facility, among other projects. Attachments G – J as outlined below provides additional summaries of Measure A revenue and spending plan.

- Attachment G – Measure A FY 21 Sources and Uses
- Attachment H – Measure A Infrastructure Project List
- Attachment I – Measure A Five-Year Infrastructure Update
- Attachment J – Measure A Outyear Plan and Allocations

### ***Measure B (2016) – Budget Stabilization Fund***

Measure B is a companion ballot initiative to Measure A. Approved by Long Beach voters on June 7, 2016, Measure B established a budget stabilization fund. The fund receives

automatic deposits/transfers of one percent of any new general tax revenues generated each year, commencing with FY 17.

Table 2 below summarizes the amounts set aside in the Measure B Rainy Day Fund by year from Measure A and Measure MA since its inception as well as the projected increases in FY 20 and FY 21. As of the end of FY 19, there is approximately \$1.7 million in the reserve. For FY 20 and FY 21, the figure below represents the estimated one percent; however, due to the revenue shortfall projected for FY 20 as impacted by the pandemic, it appears that this automatic deposit may not be made. As this is a relatively new Measure and a unique situation, this is being evaluated by staff and will be brought to City Council with additional information on the funding of and/or potential use of Measure B funds.

<b>Table 2: Measure B Rainy Day Fund Reservations</b>						
	<b>FY 17 Actual</b>	<b>FY 18 Actual</b>	<b>FY 19 Actual</b>	<b>FY 20 Projected</b>	<b>FY 21 Projected</b>	<b>Total by Tax Measure</b>
Measure A	\$ 389,231	\$ 615,439	\$ 663,679	\$ 565,697	\$ 626,881	\$ 2,860,927
Measure MA	1,539	16,452	38,893	68,917	85,851	211,651
<b>Total Reserved</b>	<b>\$ 390,770</b>	<b>\$ 631,890</b>	<b>\$ 702,572</b>	<b>\$ 634,614</b>	<b>\$ 712,732</b>	<b>\$ 3,072,578</b>
<b>Total Reserved without FY 20</b>	<b>\$ 390,770</b>	<b>\$ 631,890</b>	<b>\$ 702,572</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,725,232</b>

Through FY 21, the projected Measure B reserves could be as low as \$1.8 million to as high as \$3.1 million depending on what is reserved in FY 20 and FY 21, assuming current revenue projections. This does not account for potential uses of reserves in either of those years. Measure B funds may be used to pay for City operations and services that might otherwise be reduced in scope, suspended or eliminated due to unanticipated shortfalls in General Fund revenues, whether caused by economic recession or other financial hardship of the City. Measure B defines what a financial hardship is and how much of the “rainy day” fund can be used in any given year. With the shortfall and financial hardship the City is facing in FY 20, it is possible that some of these Measure B funds may be utilized to help resolve any shortfall at the end of FY 20 as well as to maintain services in FY 21.

### ***Measure MA (2016) – Business License Tax on Cannabis Businesses***

Measure MA is a ballot initiative, approved by 68 percent of Long Beach voters on November 8, 2016, which established a business license tax on cannabis businesses. Measure MA was approved by the Long Beach voters at the same time as Measure MM, which authorized medical cannabis businesses. On July 10, 2018, the City Council passed the Adult-Use Cannabis Business Ordinance that authorized recreational (adult-use) cannabis businesses in Long Beach.

Measure MA set a gross receipts tax for retail sales of both medical and adult-use cannabis. In addition, Measure MA established separate tax rates for the cultivation,

processing, testing and distribution of cannabis in the City. Initially, cannabis business license tax rates were set as follows:

<b>City of Long Beach - Cannabis Business License Tax Rates</b>			
<b><i>Initial Measure MA Rates</i></b>			
<b>Business Type</b>	<b>Medical/Adult</b>	<b>Rate</b>	<b>Per</b>
Dispensary	Medical	6%	Gross Receipts
	Adult-Use	8%	Gross Receipts
Cultivator	Both	\$12	Sq. Ft. of Canopy
Manufacturer	Both	6%	Gross Receipts
Distributor	Both	6%	Gross Receipts
Testing Laboratory	Both	6%	Gross Receipts

Pursuant to Section 3.80.261 of the LBMC, the City Council has the authority to increase or decrease cannabis tax rates by ordinance, subject to the maximum and minimum rates approved by voters. Such a change does not require voter approval under Article XIII C of the California Constitution. On December 3, 2019, City Council exercised this authority by reducing cannabis business license tax rates for Manufacturers, Distributors and Testing Laboratories. The table below includes a summary of current cannabis business license tax rates, as well as the maximum and minimum rates allowable under the LBMC.

<b>City of Long Beach Cannabis Business License Tax Rates</b>				
<b><i>Maximum, Minimum and Current Rates</i></b>				
<b>Business Type</b>	<b>Medical/Adult- Use</b>	<b>Current</b>	<b>Maximum</b>	<b>Minimum<sup>(1)</sup></b>
Dispensary	Medical	6%	8%	0%
	Adult-Use	8%	12%	0%
Cultivator	Both	\$12/sq ft	\$15/sq ft	\$0/sq ft
Manufacturer	Both	1%	8%	0%
Distributor	Both	1%	8%	0%
Testing Laboratory	Both	1%	8%	0%

*(1) Pursuant to Measure MA, Cannabis businesses are required to pay a minimum flat tax of \$1,000 per year.*

The City Manager's Proposed FY 21 Budget recommends adopting the following cannabis business license tax rates:

<b>City of Long Beach - Cannabis Business License Tax Rates</b>			
<b><i>FY 21 Proposed Measure MA Rates</i></b>			
<b>Business Type</b>	<b>Medical/Adult</b>	<b>Rate</b>	<b>Per</b>
Dispensary	Medical	7%	Gross Receipts
	Adult-Use	9%	Gross Receipts
Cultivator	Both	\$12	Sq. Ft. of Canopy
Manufacturer	Both	1%	Gross Receipts
Distributor	Both	1%	Gross Receipts
Testing Laboratory	Both	1%	Gross Receipts

The proposed tax structure includes a 1 percent increase in the rate applied to medical and adult-use retail sales, which would increase to 7 percent and 9 percent, respectively. Staff recommends holding all other cannabis business license tax rates flat, to keep Long Beach competitive with other cannabis markets in California. This includes the City of Los Angeles, which charges a 1 to 2 percent tax on non-retail cannabis businesses.

Although this will place Long Beach at a higher level of taxes, the rates will generally be competitive as the chart below indicates. At a tax rate of 7-9 percent gross receipts on cannabis retail, the City of Long Beach would charge a higher dispensary tax rate than some neighboring jurisdictions, including Santa Ana, (6-8%), Costa Mesa (6%), Bellflower (5%) and Culver City (5-6%). However, under the proposed rate structure, Long Beach taxes would remain below some other jurisdictions in LA County, including Los Angeles (5-10%), Carson (18%), and Maywood (10%). Other jurisdictions in California with higher cannabis retail tax rate structures include San Jose (10%), Fresno (10%), Oakland (5-10%), and Stockton (5-10%). The table below provides a more detailed comparison of cannabis retail business license tax rates, broken out by region and population:

COMPARABLE CITIES BY REGION			
City	Pop.	Retail	
		M	A
Long Beach	478,561	6%	8%
Los Angeles	4,054,400	5%	10%
Santa Ana <sup>(1)</sup>	338,247	6%	8%
Pomona	155,687	up to 6%	
Pasadena	144,388	4%	
Costa Mesa	115,296	6%	
Carson	93,799	18%	
Bellflower	77,682	5%	
La Puente	40,686	10%	N/A
Culver City	39,860	5%	6%
West Hollywood	36,723	0%	7.5%
Maywood	28,044	up to 10%	
Malibu	12,957	0%	2.5%

COMPARABLE CITIES BY POPULATION			
City	Pop.	Retail	
		M	A
Long Beach	478,561	6%	8%
San Diego	1,419,845	0%	5%
San Jose	1,051,316	10%	
San Francisco	883,963	0%	2.5 - 5%
Fresno	538,330	10%	
Sacramento	501,344	4%	
Oakland	428,827	5%	10%
San Bernardino	221,130	6%	
Stockton	315,103	5%	10%
Santa Rosa <sup>(1)</sup>	178,488	0%	3%
Salinas	161,784	5%	
Santa Clara <sup>(1)</sup>	129,604	5%	
Berkeley	121,874	2.5%	5%

Under the proposed tax rate structure, with a 7-9 percent tax on retail, staff estimates that Measure MA will generate a total of \$8.6 million in General Fund revenues in FY 21. This is approximately \$800,000 higher than revenue projections under current Measure MA rates, which assume a 6-8 percent tax on cannabis retail. The table below summarizes FY 21 cannabis revenue projections under the current and proposed rate structure:

City of Long Beach - General Fund Revenues			
FY21 Cannabis Revenue Projections (as of April 14, 2020)			
Business Type	Tax	FY21 Estimated (Current Tax Rates)	FY21 Estimated (Proposed Tax Rates)
Dispensary	Gross Receipt Tax	\$ 6,016,144	\$ 6,817,384
Cultivator	Sq. Ft. Tax	\$ 1,492,623	\$ 1,492,623
Manufacturer	Gross Receipt Tax	\$ 76,000	\$ 76,000
Distributor	Gross Receipt Tax	\$ 91,448	\$ 91,448
Testing Laboratory	Gross Receipt Tax	\$ 107,594	\$ 107,594
<b>TOTAL CANNABIS TAX REVENUES</b>		<b>\$ 7,783,809</b>	<b>\$ 8,585,050</b>



Should City Council decide to not increase the cannabis retail tax, the proposed budget would need to be modified to either reduce overall operating costs or find an alternative revenue source.

### Measure MA Prioritization Plan

The purpose of the adjusted cannabis business license tax rate structure is to fund the proposed FY 21 Measure MA spending plan to fund the Cannabis oversight and enforcement programs, enhancements related to the Racial Equity and Reconciliation Initiative, and other Health and Public Safety City costs as described earlier in this document.

This plan is in alignment with the City Council's resolution of intent for Measure MA funds. Although Measure MA is a general tax to fund City services, the City Council has expressed its intent to prioritize spending of Measure MA funds for the following purposes:

- Regulation and Enforcement, including the costs of regulating and enforcing the cannabis industry, which includes administration and oversight, licensing, plan checks, inspections, enforcement, and legal services.
- Public Health and Safety, including the costs of providing public health and public safety services, related to emergency response, police and fire services, continuum of public safety services, homelessness, drug prevention and treatment, environmental and food safety services, and other health and safety services.

See **Attachment K “Measure MA Summary of Uses”** for the breakdown of the use of Measure MA funds.

### ***Measure M (2018) – Utility revenue transfer***

Measure M, approved by voters on June 5, 2018, amended the City's Charter to explicitly allow the City to maintain historical utility revenue transfers to the City's General Fund and used to support general City services such as police, fire, library and parks. The transfer can be no more than 12 percent of utility revenues. Measure M was intended to address litigation challenging the historical practice. For FY 21, these utility transfers are budgeted at \$11.7 million from water and sewer funds and \$12.1 million from the gas utility fund. Currently, all water and sewer transfers (from 2018 on) for Measure M, excluding amounts directly related to General Fund services being provided to the utilities, are being challenged through litigation. The City is appealing a court decision in January 2020 that the transfers cannot be made. Pending resolution of the litigation, the City has agreed to escrow \$3 million of the FY 20 water and sewer transfer, \$6 million of the FY 21 transfer and all of any future transfer (FY 21 and beyond), except for the amount

associated with General Fund services, until a final disposition has been made with regard to the litigation.

In recent years, the City has received from the Water Department a Water Fund Group transfer amount linked to historical transfer amounts. The amount typically increases each year with inflation. For FY 21, the Water Board has proposed reducing the historically-based transfer amount by \$2 million, which is an additional impact on the budget on top of the costs related to the Measure M settlement. This has impacted the General Fund shortfall situation.

### ***Measure B (2020) – TOT***

On March 3, 2020, voters approved Measure B, which increases the General Fund portion of the Transient Occupancy Tax (TOT) by 1 percent (from 6 to 7 percent), paid for by hotel/motel guests, providing approximately \$2.8 million in additional funding annually. Currently, the TOT rate is 12 percent of the rent, of which 6 percent is paid to the General Fund for general City services, and 6 percent is paid to the Special Advertising and Promotion Fund. Special Advertising and Promotions Fund revenues are used for advertising, promotional and public relations projects, and special events calling positive attention to the City. The City's 12 percent TOT rate does not include the additional 3 percent assessment levied on hotels with more than 30 rooms within the Long Beach Tourism Business Improvement area. Revenues generated from the assessment are passed directly to the Long Beach Convention and Visitors Bureau and dedicated to promoting and marketing the City as a tourism destination. Hotel operators or their agents collect the tax when guests pay for their rooms and then pay it monthly to the City. The City has collected a TOT since 1962.

The City Council passed a resolution during its February 18, 2020 meeting to declare their intent to spend these funds on the City's arts organizations and the Long Beach Convention and Entertainment Center. When this measure was placed on the ballot, the Mayor and City Council indicated that the added funding was intended to support the growing needs of Arts in the community as there are currently no dedicated financial resources for this purpose. Further, the Long Beach Convention and Entertainment Center requires upgrades to support programs and services in today's artistic climate, including those that are technological in nature, which includes a projected \$50 million in infrastructure improvements for the Long Beach Convention Center. Thus, this measure provides a vital funding source for student arts education programs, community arts, music, cultural programs and organizations, local museums and theaters, and the Long Beach Convention and Entertainment Center.

In FY 21, due to the expected and significant reduction in TOT revenue from impacts of the pandemic, the anticipated revenue generated by the one percent TOT tax from Measure B tax is anticipated to be \$1.7 million. The FY 20 revenue for the 3-month period of July-September is expected to be around \$370,000, and maybe potentially less. There are many unknowns in terms of how the economy will respond to the ongoing

pandemic and this estimate will continue to change as new information becomes available.

Funding in FY 21 will be allocated in the following ways assuming current revenue projections and that Measure B contributions continue to be automatically made in FY 21: 1) \$17,000 for Measure B reserves set aside, 2) \$841,500 for the Convention Center, and 3) \$841,500 to the Arts Council for distribution to the major art organizations. This proposed use is in conformance with City Council's intent. Final amounts will be evaluated based on revenue projection updates and any adjustments will be brought to City Council.

**PANDEMIC RESPONSE AND RECOVERY PROGRAMS  
MADE POSSIBLE BY STATE CARES ACT ALLOCATION**

Attachment B

Dept.	Title	Description	Allocation
<b>CITY COVID RESPONSE</b>			
XC	Costs for City Costs for COVID-19 Response	Offset the costs of City emergency response from March - December 2020, including staff costs not eligible for other funding.	19,130,494
<b>Total Cost City COVID Response</b>			<b>\$ 19,130,494</b>
<b>COMMUNITY SUPPORT - Recovery &amp; Resiliency</b>			
HE	Homeless Sheltering	Covers the congregate shelters like Silverado which are not FEMA eligible. Additional costs for navigation center (12 bed shelter for youth) and year-round shelter	2,000,000
HE	Housing Condition Improvements	Housing conditions exacerbate illnesses most related to COVID-19. This would include mold remediation, air ventilation, etc. in housing with greatest code enforcement complaints/largest overcrowding issues. Funds would go to remediation services.	500,000
HE	Basic Needs - Case Managers	The current warm line model for older adults helps connect people to resources. This expanded model includes staff support for responding to calls and helping to access needed services such as food, housing, insurance, cooling supports, other medical supports etc.	400,000
HE	Food Insecurity and Meals for At-Risk and Senior Populations	Funds would support large one-time food distribution events, as well as, food delivery program for seniors and at-risk residents.	3,000,000
HE	Black Education Health Program	Program to allow engagement with community organizations serving Black residents and grants to Community Based Organizations (CBO) to build capacity to provide education, outreach, and health supports	1,000,000
HE	Older Adults Supports	Financial support for the purchase of black out curtains, transportation to cooling centers, food and medication delivery from local grocery stores, close-looped referral technology to support older adult/warm-line referrals, mental health supports, communications campaign.	500,000
HE	Mental Health and Domestic Violence	In response to documented increases in mental illness and domestic violence as a result of the Safer-at-Home orders. Includes education campaigns about available services, supports to access these services and grants to local agencies.	500,000
HE	Public Health Case Management Support	Builds an ongoing infrastructure for intake, case management, appointment etc. related to COVID and future public health responses	500,000
HE	Early Childhood Supports	Increase access to early childhood care (ECE) for those impacted by COVID-19. Assist ECE providers to open and operate under new COVID-19 protocols, use technology to match families to ECE providers, provide learning tools to families, and grants to ECE providers to reduce costs to families for accessing services.	1,000,000
HE	Non-Profit Relief Program	Fund non-profit organizations to reach neighborhoods and residents most impacted by the COVID-19 pandemic, through culturally and linguistically appropriate outreach, engagement, education and connection to resources and services. Non-profits will educate residents about COVID-19 prevention and safety, and provide direct case management and systems navigation as needed to ensure connection with services.	1,000,000
PR	Youth Leadership & Ambassador Program	Support for youth leadership in communities to support COVID outreach and education. Train youth workers from LMI communities, including salaries for work at parks, open space locations, including City Open Streets commercial locations, beaches and parks.	1,000,000
PR	Youth Programming	Resources to expand youth programming beyond the 22 summer parks sites to meet community need as well as support reduced costs programming for families. These include opportunities in schools, WRAP site staffing and supports into the school year.	500,000
TI	Digital Inclusion-residents	Digital navigator grants for community-based organizations. Chromebooks/ hot spots / tech assistance to serve residents adversely impacted by COVID-19 and stay at home orders. Moveable public Wi-Fi access points.	1,000,000
CM	Grants to the Arts Community for Economic Support of the Arts	Transition and recovery grants to arts organizations impacted by the Safer-at-Home order to provide arts education and programming to COVID impacted residents.	1,500,000
<b>Total Community Support</b>			<b>\$ 14,400,000</b>
<b>BUSINESS SUPPORT - Recovery &amp; Resiliency</b>			
HE	Small Business and Non-Profit PPE Distribution Program	Many small businesses including child care providers and non profit organizations closed during the early months of the "Safer-at-Home" orders. Providing PPE would allow these organizations to meet the requirements for reopening without adding a financial burden or purchasing PPE.	750,000
ED	COVID-19 Small Business Transition & Recovery Grants	Provides very small business COVID-19 transition and recovery grants to provide funding for working capital to make changes to the exterior, interior, plexiglass, ventilation, signage, staffing, new inventory or other COVID-19 recommended improvements.	3,600,000
ED	Business Improvement Districts (BIDs) Loan and Grant program	Provides funds to various BIDs to distribute business grants to LMI businesses, and/or implement programs to support businesses, and PPE distribution.	1,000,000
ED	Grants for Queuing Systems and Contactless Payment Systems	Small technology grants to Low-Median-Income (LMI) businesses to assist with implementation of Queuing and Contactless Payment Systems.	500,000
ED	COVID-19 Business Call Center	Funding for COVID-19 transition and recovery to assist small businesses and displaced workers with technical assistance, loans, grants, PPE acquisition and other services.	150,000
ED	COVID-19 Economic Inclusion Coordinator	Support for an aggressive approach to economic inclusion and the implementation of the Everyone In Implementation Plan approved by the City Council in 2019.	150,000
ED	COVID-19 Small Business Education Budget	200,000 direct mailers and fliers to small businesses and business owners about COVID-19 related guidelines and resources in multi-lingual formats	100,000
PW	Open Streets Initiative	Administered by Public Works to provide parklets and outdoor dining in various Business Improvement Districts and corridors.	300,000
CM	COVID-19 Economic Equity Study	Provides funding for "Economic Equity Analysis" from CSULB and/or additional non-profit research organizations to help identify and inform strategies to mitigate racial impacts of COVID-19.	200,000
<b>Total Business Support</b>			<b>\$ 6,750,000</b>
			<b>\$ 40,280,494</b>

## Summary of Racial Equity and Reconciliation Initiative Investments

ATTACHMENT C

Title and Description	Amount
<b>Structural</b>	
<u>Racial Equity and Reconciliation Initiative</u> Funds to implement the Racial Equity and Reconciliation Initiative, with specific recommendations outlined in the Racial Equity and Reconciliation Initiative: Initial Report	\$ 1,500,000
<u>Deputy City Manager</u> Add a Deputy City Manager to provide central, citywide coordination of efforts related to homelessness and oversight of the Office of Equity.	\$ 256,920
<u>Office of Equity - Enhancement and Relocation</u> Add a Community Program Specialist position to support the Office of Equity and reallocate the Equity Office (including Language Access) from the Health Department to the City Manager's Office reflecting a citywide commitment to elevate equity goals.	\$ 113,979
<u>Citizen Police Complaint Commission</u> To support the reforms of the Citizens Police Complaints Commissions. In the first year, funds will be used for a study to evaluate CPCC for areas of reform and innovation.	\$ 150,000
<u>Senior Programming</u> Structurally Fund Senior Programming at Expo Center serving the northern part of Long Beach.	\$ 40,000
<u>HEART Team</u> Civilianize HEART teams with public health focus using nurse positions in Health. Funding is for 3 Nurse positions and 4th Nurse position will be funded from grants.	\$ 414,400
<u>Social Work Services within Libraries</u> Add 3.0 Public Health Professional II positions in three regional libraries to provide social work services, to be grant offset.	\$ -
<u>Restructure Library Services</u> Restructure library services so that 3 flagship regional-serving libraries (BJK Main, Obama, Twain) are open 7 days per week with upgraded services, and 9 other branch libraries maintain full services but reduced to three days. Savings reflected in department proposals list.	\$ -
<u>Office of Constitutional Policing</u> Reallocate 3.0 positions to a new Office under the Assistant Chief of Police to review current practices and recommend proposals that would reimagine traditional policing to foster equitable and constitutional public safety for the entire community	\$ -
<b>One-time</b>	
<u>Training for Racial Equity</u> One-time funds to provide training and education on equity throughout the organization	\$ 100,000
<u>Office of Equity Temporary Staff Support</u> Support for an additional temporary staff person to work on the citywide commitment to elevate and integrate the principles and goals of equity.	\$ 62,291
<u>Language Access Plan (LAP)</u> Continue LAP Program to promote equal access to City services for all residents.	\$ 160,000
<u>Fire Diversity Program</u> Support for program to increase diversity recruitment to better reflect the community being served	\$ 187,500
<u>Eleven Be SAFE Program Sites</u> Fund Be SAFE at 11 sites to reduce crime in neighborhoods and extending supervision hours at designated parks during the evening in the summer.	\$ 192,000
<b>Total Investments - General Fund</b>	<b>\$ 3,177,090</b>

# General Fund Strategic One-time Investments - Non Measure A

ATTACHMENT D

Title and Description	Amount
<b>Equity</b>	
<u>Election Costs and Ballot Measure</u> Funding for runoff elections anticipated for November and cost of a ballot measure.	\$ 1,500,000
<u>Census and Redistricting</u> Community engagement and implementation strategies to ensure an accurate count in the decennial census and redrawing of district boundaries in accordance with the community vote in favor of Measure DDD.	\$ 1,172,500
<u>Fire Study</u> Funding for a comprehensive study of the Fire Department to analyze operations and identify a strategic plan for future cost savings, efficiencies and/or revenue generation.	\$ 200,000
<u>Citywide Homelessness Efforts</u> Outreach, rapid response, and clean up for Citywide efforts related to homelessness.	\$ 255,000
<u>Plant Water Needs</u> Funding to supplement the water budget for plant needs in the Parks, Recreation, and Marine Department to mitigate structural underfunding and to help avoid safety issues such as urban tree failures.	\$ 600,000
<b>Total Strategic Investments - General Fund</b>	<b>\$ 3,727,500</b>

## Summary of Significant Changes: General Fund Group

As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund). For ease of review, not all reallocations of resources within funds, offset adjustments, and minor changes have not been included.

Department and Item	Impact	Positions
<b>City Auditor</b>		
Eliminate vacant Deputy City Auditor and vacant Audit Manager positions to align budgeted personnel with actual operations.	(427,658)	(2.00)
Realign the budgeted salaries and funding allocations of various positions to align budgeted personnel with actual operations.	(249,564)	-
Remove a negative salary savings placeholder in the budget, offset by realigning budgeted positions to operations.	568,514	-
<b>City Clerk</b>		
Eliminate a vacant City Clerk Specialist position and utilize \$16,000 of the savings to cover increased software costs related to Granicus and Legistar.	(111,693)	(1.00)
One-time funding for General Municipal election costs including one ballot measure and even numbered City Council districts.	1,500,000	-
One-time funding to support the 2021 Redistricting Plan including advertising and staffing costs associated with previously approved Measure DDD.	907,500	-
<b>City Manager</b>		
Downgrade one Program Specialist position to a Clerk Typist III, and eliminate another Clerk Typist III position; split administrative duties among other staff members.	(94,920)	(1.00)
Reduce a half of the Manager of Cannabis Oversight position with the work to be merged with another existing position.	(94,281)	(0.50)
Reduce budget for Cannabis Oversight materials, supplies and consulting services used for consultants to check on Cannabis businesses.	(50,000)	-
Reduce budget to align more closely with actuals, including catering services and staff for CPCC commission meetings and the budgeted salary levels in the Intergovernmental Affairs Bureau	(78,069)	-
Reduce half of the Assistant to the City Manager - Administration position and assign selected administrative functions to other staff. Position is funded currently by both the General Fund and Special Advertising and Promotions Fund Groups.	(52,891)	(0.30)
Restructure of Office of Innovation by reducing 3.0 positions (going from 5.0 to 2 FTEs). Remaining costs will be offset by external funding sources and charges to departments for special projects.	-	(3.00)

Department and Item	Impact	Positions
Realign revenue and expense budget in the Office of Sustainability to continue to advance environmental stewardship and support local sustainability practices.	(17,849)	-
Reallocate the General Fund contribution to the Arts Council from the General Fund to be funded from the Special Advertising and Promotions Fund Group.	(25,000)	-
One-time reduction in expense for the single year suspension of the nationally ranked Management Assistant Program due to the operational uncertainty created by the COVID-19 pandemic.	(187,381)	-
Add a Deputy City Manager to the City Manager's Department to provide centralized coordination for the Citywide efforts related to homelessness issues, oversight of the Office of Equity that is being transferred from Health Department, and to manage the development and implementation of the City's racial equity and reconciliation goals.	256,920	1.00
Reallocate the Equity Office from the Health and Human Services Department to the City Manager's Office, including a Special Projects Officer and an Assistant Administrative Analyst related to Language Access reflecting a citywide commitment to elevate and integrate the principles and goals of equity throughout the City.	248,979	2.00
Add a Community Program Specialist position to expand and support the efforts of the Equity Office.	113,979	1.00
One-time funding to support an additional temporary staff person for the Office of Equity who is not fully offset by grants.	62,291	
One-time funding to provide training and education on equity throughout the organization.	100,000	
One-time funding for the Language Access Program (LAP) to promote equal access to City services for all residents	160,000	-
Increase budget to support the reform and innovations of the Citizens Police Complaints Commission (CPCC). The funds in the first year will be used to conduct a Study to evaluate changes and innovations to the CPCC; moving forward the funds will help support the implementation of the Study's recommendations.	150,000	-
Add an Assistant to the City Manager position to provide Ethics Commission staff support, including studies, reports, and consulting services for the Commission.	180,000	1.00
Add one Assistant Administrative Analyst to coordinate the California Public Records Act (PRA) process citywide and assist with other administrative functions.	87,166	1.00



Department and Item	Impact	Positions
One-time funding to support community engagement and implementation strategies to ensure an accurate count in the decennial census which has been extended by the Federal Government due to the COVID-19 pandemic.	15,000	-
One-time funding to support the 2021 Redistricting Plan including communications, consultants and internal coordination efforts associated with the previously approved Measure DDD.	250,000	-
<b>City Prosecutor</b>		
Reduce budget for efficiencies, core services related to prosecution of certain cases, eliminate or reduce court diversion and alternative sentencing programs.	(243,500)	-
<b>Civil Service</b>		
Eliminate .35 FTE of an Administrative Analyst-NC and .35 FTE of a Clerical Aide-NC to reflect efficiencies of moving examinations on-line due to the pandemic.	(43,632)	(0.70)
Reduce budget for travel expenses, membership costs, equipment, and advertising services provided to City departments to fill vacant positions.	(82,000)	-
<b>Disaster Preparedness &amp; Emergency Communications</b>		
Eliminate two Public Safety Dispatcher II positions in the Emergency Communications Bureau's 9-1-1 Emergency Communication Center, going from 73 to 71 budgeted dispatch positions.	(222,412)	(2.00)
Reclassify the Telecommunicator positions to Public Safety Dispatcher positions in the Emergency Communications Bureau to facilitate efficient operations in the 9-1-1 Emergency Communication Center.	(248,948)	-
<b>Development Services</b>		
Eliminate a Clerk Typist III in the Code Enforcement Bureau administrative enforcement team supporting the Cannabis Program.	(74,130)	(1.00)
Eliminate a Combination Building Inspector from the Code Enforcement Bureau administrative enforcement team supporting the Cannabis Program.	(110,382)	(1.00)
Reduce part of a Senior Combination Building Inspector and a Principal Building Inspector in the Code Enforcement Bureau administrative enforcement team supporting the Cannabis Program.	(211,348)	(1.50)
Eliminate two Combination Building Inspector positions previously defunded. This is a technical clean-up has no change or impact to service levels.	-	(2.00)
Increase revenue in the Vacant Lot Monitoring Program to reflect revenue actuals.	(65,000)	-

Department and Item	Impact	Positions
Add a Principal Building Inspector and 0.50 FTE part of a Senior Combination Building Inspector in the Code Enforcement Bureau Nuisance Abatement and Vacant Lot Code Enforcement programs, offset by a reduction in the Cannabis Program.	211,348	1.50
One-time revenue increase offset by a transfer from the Development Services Fund Group to repay the General Fund support of the Development Services Fund Group following a recession in development in 2009.	(500,000)	-
<b>Economic Development</b>		
Reduce budget for proactive property maintenance by reducing the monthly visits per property. Weekly proactive property maintenance visits will instead occur on a bi-monthly or monthly basis.	(75,000)	-
Reduce general material expense, funding for outside real estate legal and architectural services for properties managed, resulting in a supporting a more limited portfolio of properties.	(64,000)	-
Reclassify a Redevelopment Project Officer to a Development Officer in the Business Development Bureau to better align the position with its duties.	-	-
<b>Fire</b>		
Restructure the service delivery model of the City's two HEART team units, from the use of sworn Firefighters to civilian Nurses in the Health and Human Services Department. One of 2 HEART teams in the Fire Department is funded by Measure A and will be reallocated to maintaining services that otherwise would be reduced.	(870,464)	(4.00)
Reduce budget with specific reductions to be identified through a study conducted in FY 21. The structural reduction will be offset in FY 21 with a one-year suspension of all capital replacement collections charges for Fire's entire fleet, resulting in the fleet becoming one-year older before replacement. Permanent solutions will be identified during the study in FY 21	(1,891,860)	-
One-time funding for a comprehensive study of Fire Services to identify innovations, potential operational changes, or revenue increases to develop strategic budget recommendations for anticipated budget reductions needed in FY 22.	200,000	-
One-time funding to continue the Fire Diversity Recruitment Program, which started in FY 20 with one-time funds. This provides funding to continue the progress made in improving diversity in the Fire Department, strengthening the outreach/recruitment process.	187,500	-
Reallocation of a Plan Checker II position in the Fire Prevention Bureau to align with the two departments services are provided to (Development Services and Harbor Departments).	-	-

Department and Item	Impact	Positions
Add one civilian Fire Inspector to perform technical and specialized activities in the enforcement of compliance with codes, laws, regulations and ordinances related to fire, building and hazardous materials. The cost will be offset by reimbursement revenue in an MOU with the Development Services Department.	-	1.00
Upgrade one Assistant Administrative Analyst I to a II in the Fire Prevention Bureau to reflect increased responsibilities and duties in disaster preparedness education, multi-lingual resources and coordination of the City's CERT program. The cost of \$4,762 is offset by a reduction in Non-Career hours for the vacant Clerk Typist II-NC position in the Cannabis Program.	-	(0.08)
<b>Financial Management</b>		
Downgrade Budget Management Officer to Financial Management Analyst II in Budget Management Bureau to align with current staffing actuals; may impact staffing capacity and responsiveness for special citywide projects and analysis. Position is funded across the General Fund and the Employee Benefits Fund.	(42,483)	(0.08)
Eliminate 1.76 Customer Service Representative positions and 0.5 Customer Service Representative-NC position in the Commercial Services Bureau to reflect efficiencies generated as a result of streamlining collection processes.	(116,595)	(2.26)
Eliminate 2 Accounting Technician positions and an Accounting Clerk III position in the Accounting Bureau due to efficiencies realized from the new ERP (Munis) system.	(241,422)	(3.00)
Contract out 5 Customer Service Representatives positions in the Parking Citations section in the Commercial Service Bureau, and increase budget for a contract with Data Ticket Parking Citation Processing to conduct parking related services, including manual citation entry, rental car citation processing, releases of liability, and plate changes. A Prop L analysis and meet and confer process will need to be completed before this can be implemented.	(254,094)	(5.00)
Eliminate a vacant Customer Services Representative-NC position in the Business License Division that answered the phones and staffed the permit center. Position was recently vacated and work will be redistributed to remaining staff.	(32,022)	(0.75)
Eliminate a vacant Payroll Personnel Assistant II position in the Administrative Services Division by consolidating its duties with a different position working in the Division.	(85,485)	(1.00)
Eliminate an Accounting Operations Officer in the Accounts Payable Division Bureau due to efficiencies realized from the new ERP (Munis) system. Position is funded across the General Fund and the General Services Fund.	(41,440)	(0.23)

Department and Item	Impact	Positions
Eliminate one License Inspector I position along with a vehicle in the Business License Division, which will impact proactive enforcement activities. Non-revenue related work will be reassigned to remaining staff within the division to minimize revenue loss.	(106,060)	(1.00)
Reduce budget for consulting services to assist with better investment and debt management.	(25,000)	-
Reduce budget for postage and various materials and supplies to reflect efficiencies implemented in the Commercial Services Bureau.	(92,156)	-
Increase revenue to reflect savings received from procurement contract incentives.	(150,000)	-
Recognize savings in the General Fund from the FY 21 Fleet MOU due to reductions and efficiencies in Fleet Operations realized by operating a newer fleet of vehicles.	(364,597)	-
Reallocate various position budgets from the General Services Fund and Tidelands Operating Fund to the General Fund to align with actual operations.	68,183	0.38
Add a Grants Special Projects Officer in the Accounting Bureau to provide oversight and controls with regard to accounting for and general reporting for projects and grants. Responsibilities will include the accounting structure for city-wide project and grants, oversight of city-wide revenue allocation for projects and grants, coordination and management of the city-wide single audit process, coordination of audit and grant corrective action plans, and accounting and reimbursement processes for emergencies.	41,440	0.23
Add an Administrative Analyst III to the Accounting Bureau to support the Grants Officer and take responsibility for being current on regulations, designing procedures for relief and recovery, training, documentation, coordination with EOC/IMT staff, and maintaining coordination between departments and the Accounting Bureau.	124,826	1.00
Upgrade a Senior Accountant to an Accounting Operations Officer in the General Accounting Division to better align with new duties required by the new ERP (Munis) system.	17,954	-
Upgrade an Accountant III and reclassify an Administrative Analyst III to Senior Accountant positions in the Accounting and Treasury Bureaus to align the duties to match the higher level of work.	6,640	-
One-time cost recognizing delays in implementing budget proposals where savings will not commence at the beginning of the fiscal year, specifically for contracting out parking related services to Data Ticket - Parking Citation Processing Contract.	127,047	-

Department and Item	Impact	Positions
<b>Health &amp; Human Services</b>		
Add 3.0 nurse positions to restructure the HEART Team's service delivery model and replace Firefighters currently performing the service. A fourth nurse position, funded by grants, will be reallocated from other areas to help staff the HEART Team.	414,400	3.00
Enhancement of \$1.5 million for the implementation of the racial equity and reconciliation efforts of the City with specific recommendations outlined in the Racial Equity and Reconciliation Initiative: Initial Report	1,500,000	-
Reallocate the Equity Office from the Health and Human Services Department to the City Manager's Office, including a Special Projects Officer and a Assistant Administrative Analyst reflecting a citywide commitment to elevate and integrate the principles and goals of equity throughout the City.	(248,979)	(2.00)
Transfer 2.0 Environmental Health Specialist positions from the Cannabis Program in the General Fund to the Health Fund and align position duties to the appropriate funding sources with no service impact; and reallocate funding within the Cannabis program to focus on prevention and education for responsible cannabis use, and implementation of the City's Responsible Cannabis Vendor program. (Health and Human Services)	(125,485)	(2.00)
Increase budget to support Homeless Services Program costs not funded by grants, offset by the downgrade of a vacant Public Health Professional III to a Community Program Specialist IV in the Homeless Services Division to align with actual operations.	-	-
One-time funding for the Health Department's cost to support the Interdepartmental Workgroup for citywide encampment cleanup and outreach services.	255,000	-
<b>Legislative</b>		
Reduce the Legislative Department's budget for efficiencies in staffing and operations	(237,500)	-
<b>Library Services</b>		
Restructure Library Services and increase operations at the largest, flagship libraries (Billie Jean King Main, Michelle Obama, and Mark Twain) enhancing services in underserved areas. The flagship libraries will be open from 5 to 7 days per week with upgraded services and a focus on system-wide programming. Operations at the 9 branch libraries will be reduced from 5 to 3 days per week (Tuesday – Thursday). This restructuring includes the following changes: Addition of 5 Library Assistants and 0.80 Library Clerk I position to support service enhancements; and various position reductions including a Library Clerk II, 4 General Librarians, 0.50 Library Aide, and 2.6 Page positions.	(247,143)	(2.3)

Department and Item	Impact	Positions
Add 3.0 Public Health Professional II positions to provide social work services to Long Beach Public Library patrons in need of outreach and professional assistance, anticipated to be offset by grant revenue.	-	3.00
<b>City Attorney</b>		
Eliminate one Deputy City Attorney assigned to the Cannabis program; remaining work will be handled by outside counsel.	(162,858)	(1.00)
Reallocate \$150,000 will be reallocated from Cannabis program to fund and support legal services related to the Ethics Commission including but not limited to staffing monthly commission meetings, providing legal advice, preparing legal opinions, ordinances, researching City and State ethics issues and practices and presenting such items to the Commission.	-	-
Eliminate a Harbor Legal Assistant IV position charged to Harbor Department via an inter-departmental MOU that is not used for the original purpose.	-	(1.00)
Reallocate funding to better align budget to operations.	23,860	-
<b>Police</b>		
Create the Office of Constitutional Policing dedicated to rethinking policing through a forward-looking focus that is centered on accountability, constitutional policing, management practices, policies, training, and recruitment. Upgrade a Sergeant to a Lieutenant offset by overtime, reallocate a Special Projects Officer from the Executive Bureau, and add a Business Services Specialist IV to serve as a Data Scientist, offset with overtime.	-	1.00
Convert 16 Police Officers to 16 Community Services Assistants to respond to Priority 3 Report calls. Priority 3 calls are non-violent 911 calls that are primarily requests for a crime report to be filled after a property crime has occurred. Uniformed, unarmed civilians will be trained to investigate and officially document specific property-based crimes, respond to radio calls for nonviolent crimes, and assist community members with police reports.	(1,299,824)	-
Eliminate 1 Clerk Typist III assigned to the Court Affairs Unit to align with the reduced workload.	(85,484)	(1.00)
Eliminate 1 Clerk Typist III from the City Jail's Booking Desk to align with the reduced workload and volume of bookings.	(81,000)	(1.00)
Eliminate 1 Detective and 1 Clerk Typist III, and add 1 Special Investigations Division Analyst, 1 Police Investigator-NC, and 1 Crime Analyst, for a net savings. By investing in analytical positions, the department will be able to get crime trends and provide operational direction to field sworn personnel.	(22,255)	0.70

Department and Item	Impact	Positions
Eliminate 1 Lieutenant position assigned to the Vice Detail. This reduces the Vice Detail Unit from 9 FTEs to 8 FTEs. The 6 sworn FTEs and 2 civilian FTEs remaining will continue to research ABC licenses and compliance issues, issue and assess Entertainment Permits, perform backgrounds on marijuana business license applications, and investigate crimes, enforce laws, and participate in rescues related to Human Trafficking.	(309,000)	(1.00)
Eliminate 1 Special Services Officer IV assigned to Court Bailiffs to align with the reduced workload.	(117,000)	(1.00)
Eliminate 1 Special Services Officer IV assigned to schedule trainings and staffing at the Jail Division. These duties will be performed by existing staff.	(117,000)	(1.00)
Eliminate 2 Police Officers and add 1 Police Investigator in the Detectives Division, assigned to monitor and investigate sex offender compliance.	(340,000)	(1.00)
Eliminate 3 Police Officers and add 2 Assistant Administrative Analyst II positions in the Warrant Detail to continue the work of monitoring and coordinating due diligence checks on individuals with outstanding warrants.	(455,503)	(1.00)
Eliminate 3 Police Officers from the K-9 Unit. The K-9s and their handlers equip the Police Department with the ability to use specially trained dogs to assist in apprehending suspects, conducting bomb and explosive detection and narcotics detection.	(706,354)	(3.00)
Eliminate 4 Special Services Officers III in the Detention section assigned to the Juvenile Booking Facility currently located at the East Substation, by moving the facility to the Public Safety Building in Downtown, thereby eliminating the need for dedicated staff at an offsite facility.	(408,000)	(4.00)
Eliminate 4 Special Services Officers III positions due to the consolidation of the Women and Men's Jail onto one floor of the Public Safety Building, which can be accommodated and stay within policy set by the California Board of State and Community Corrections.	(408,000)	(4.00)
Eliminate 4 vacant Police Officers from the Traffic Motor Unit, aligning to actual staffing. This reduction aligns budget to actual staffing.	(845,209)	(4.00)
Eliminate 5 Police Officers and add 5 Property Supply Clerks who will be assigned to manage, replace, and coordinate the repair of public safety equipment and facility duties at the police substations.	(520,105)	-

Department and Item	Impact	Positions
Eliminate 5 Police Officers from the Narcotics Field Team assigned to investigate street sales. This reduces the Narcotics Field Team from a total of 8 sworn to 3 police officers and reduces the portion of the Drug Investigation Section that investigates local street sales. The remaining portion of the Drug Investigation Section will remain intact with 14 sworn FTEs and will be available to investigate large-scale narcotic crimes.	(1,146,350)	(5.00)
Eliminate 6 Police Officers and add 2 Civilian Pilots in the Air Support Unit. The Air Support operation schedule will be reassessed and aligned with calls for service trends and patterns.	(911,259)	(4.00)
Eliminate a Lieutenant and add an Administrative Analyst III in the West Division, to continue support of the various systems the department utilizes such as RMS and Body-worn Camera Program.	(174,484)	-
Eliminate one Accounting Clerk position in the Financial Bureau, assigned to process and arrange travel for the department's employees to attend trainings, conferences, and perform extraditions. This function will be delegated to existing personnel.	(83,752)	(1.00)
Eliminate one Administrative Intern position to support E-Citation Technology software ongoing license and maintenance costs. The E-Citation technology will prepare traffic citations and automatically update citation data into the Police Records Management System, eliminating the need for Police Officers to issue paper citation and eliminates the need for clerical data entry.	-	(1.00)
Eliminate the final Police Officer and reimbursement revenue assigned to the LBUSD School Resource Officer program, at LBUSD's request.	(10,019)	(1.00)
Eliminate 4 vacant Police Officers from the South Division Bike Unit. This unit conducts bike patrol around the Downtown Entertainment District. This reduction aligns budget to actual staffing.	(799,328)	(4.00)
Eliminate 2 Police Officers and reimbursement revenue at the request of the Los Angeles Metro and their contract with the Police Department.	91,655	(2.00)
Reallocate one Assistant Administrative Analyst III from the Chief of Police Office to the Internal Affairs Division, providing the ability to prepare trend analysis and onboard new technology to perform better case management of the Internal Affairs caseload.	-	-



Department and Item	Impact	Positions
Reclassify various positions and reorganize to better align budget to operations, including converting a Police Specialist Services III to a Public Affairs Assistant I; upgrading an Administrative Analyst I to II to be consistent with other Patrol Bureau Crime Analysts; converting a Clerk Typist to a Bureau Secretary assigned to the Assistant Chief of Police's Office; and converting one Traffic Motor Sergeant to CORE Lieutenant assigned to oversee Emergency preparedness and the Reserve/Cadet programs. These changes total \$41,906 and are offset by a reduction in overtime budget.	-	-
Reduce overtime budget that supports video monitoring in the South Division Pine Camera Program. Police officers on overtime monitor the video system focusing their efforts on Thursday, Friday and Saturday nights from 10:00PM - 3:00AM. Police will explore alternative staffing options to staff this desk when needed on straight-time.	(55,000)	-
Transfer 4 Quality of Life Officers to Field Support Division to work with the Mental Health Evaluation Team and be supervised by one Sergeant, instead of assigned to each division leading to a more effective team.	-	-
Transfer the Crossing Guard Program from the Police Department to the Public Works Department in an effort to provide efficiencies in hiring and maintaining personnel.	(1,420,358)	(26.23)
Upgrade five Clerk Supervisors to five Administrative Aide positions in the Records Division, offset with a downgrade of 3 Senior Record Clerks to 2 Administrative Analysts III and 1 Assistant Administrative Analyst II in the Records Division, for a net savings. There is less need to oversee data entry in systems and instead, there is a greater need for analytical skills.	(16,194)	-
Upgrade one Police Officer to a Sergeant to provide oversight of the Mental Health Evaluation Team and the Quality of Life Team, offset with a reduction of \$50,000 in overtime.	-	-
One-time cost recognizing delays in implementing some of the budget proposals where savings will not commence at the beginning of the fiscal year, including the time needed to implement civilianizing Priority 3 calls response, logistical equipment and facility duties, and civilianizing the Air Unit.	910,396	-
<b>Parks, Recreation, &amp; Marine</b>		
Eliminate 2 Clerk Typist III positions and add 0.32 Recreation Leader Specialist V in the Community Recreation Services Bureau. The work of scheduling permits and reservations will need to be absorbed by remaining staff	(133,850)	(1.38)

Department and Item	Impact	Positions
Eliminate 2.45 Maintenance Assistant I-NC positions in the Facilities Division in the Maintenance Operations Bureau. This eliminates the night time locking up of freestanding restrooms as well as some mini-parks that are fenced.	(101,889)	(2.45)
Eliminate a Clerk Typist III in the Financial Services Division in the Business Operation Bureau. This position is responsible for supporting the Business Operations Bureau, Financial Services Division with clerical duties. This position is funded in the General Fund and Tidelands Operating Fund.	(35,783)	(0.50)
Eliminate a Community Services Supervisor in the Community Recreation Services Bureau who assists with the management of facility operations of community centers, including the recruiting and training of staff and volunteers, and the development, coordination and implementation of recreation programs and services. Work will be redistributed to remaining staff.	(130,625)	(1.00)
Eliminate an Offset Press Operator position in the Community Information Division. This position is responsible for reprographics related requests for the Department including marketing flyers for programs and events. This position is budgeted in General Fund and Tidelands Operating Fund.	(72,501)	(0.84)
Eliminate a Recreation Leader Specialist X in the Community Recreation Services Bureau, responsible for coordinating the Adult Sports Leagues. Responsibilities would be absorbed by remaining staff in the Adult Sports office.	(33,955)	(0.67)
Eliminate an Administrative Analyst II in the Community Recreation Services Bureau. This item eliminates one of two Administrative Analyst positions responsible for budget monitoring and development; grant contract management, revenue management and other administrative functions. This position is funded in General Fund and Tidelands Operating Fund.	(133,034)	(0.95)
Eliminate Aquatic Supervisor I and upgrade an Aquatics Supervisor I to a II to reflect efficiencies in the Park Aquatics program and to cover additional responsibilities in supervising two community pools.	(99,138)	(1.00)
Eliminate Recreation Leader Specialist V for El Dorado Regional Permit Compliance, which decrease the number of staff that support the operations at El Dorado Regional park during operating hours.	(46,535)	(1.34)
Reduce supplies budget and reallocate funding for Park Planning and Partnerships Bureau staff from General Fund to General Grants Fund, to be offset by grants.	(169,835)	(0.18)
Reallocate partial funding for Community Information Officer from the General Fund to the Special Advertising and Promotions Fund.	(52,854)	(0.30)

Department and Item	Impact	Positions
Reclassify a Clerk Typist III to Bureau Secretary in the Park Planning and Partnerships Bureau to align with bureau needs, and reallocate partial funding to the General Fund, offset by cell site contract revenue increase)	-	0.15
Reclassify Landscape Maintenance Monitors to Gardener IIs in the Maintenance Operations Bureau to align with actual positions.	(18,786)	-
Reduce a General Maintenance Assistant position and materials funding to offset the addition of a Plumber position to address park facility needs to keep facilities functional and operating in a safe and sanitary environment.	-	-
Reduce budget for materials, supplies, and contractual services across all Bureaus.	(125,983)	-
Reduce one program hour of the Summer Fun Day and Teen Center programs and eliminate 2.14 positions including a Recreation Leader Specialist III, Recreation Leader Specialist IV, Recreation Leader Specialist V, and Recreation Leader Specialist VII. Currently, programs operate six hours daily during the summer from 11am to 5pm. This reduction would result in the programs operating from 11am to 4pm during the summer months.	(73,687)	(2.14)
Reduce supplies budget to offset the addition of a Maintenance Assistant I-NC position for Blair Field Maintenance. The Department rents Blair Field to CSULB on allocated days and the Maintenance Operations Bureau has to provide custodial staff.	-	0.13
Increase budgeted revenues to reflect annual parking fee increases at El Dorado East Regional Park. Increase annual parking pass by \$5 for senior and regular rates.	(53,500)	-
Increase budgeted revenues to reflect projected revenues from new youth sport registration fee of \$25. Currently, participants pay a \$10 equipment fee only.	(188,000)	-
Increase budgeted revenues to reflect vehicle entry fee increases at El Dorado East Regional Park. Increase daily single vehicular entry fee by \$1 per vehicle on weekdays and weekends.	(117,000)	-
One-time funding for a Gate Arm at El Dorado East Regional Park, offset by a fee increase to vehicle entry fees.	100,000	-
Add a Veterinarian position and increase budget for medical supplies in Animal Care Services to support the "Compassion Saves" program.	296,484	1.00

Department and Item	Impact	Positions
Increase budget to cover for the water rate increases (12% increase in 2019 and anticipated increase of 6% in 2020). This will allow the department to keep current water usage, which is still much less than actual plant need (at 54 percent of actual plant need) and help mitigate safety issues such as urban tree failures.	336,400	-
Increase budget to structurally fund the Senior Citizen programming at the Expo Center located in North Long Beach, providing programming 3 days a week	40,000	-
Increase budget for ongoing grounds maintenance funding needed to maintain the newly acquired Sunnyside Cemetery.	301,045	-
One-time funding for Cemetery Management Software to help maintain and manage cemetery records, offset by revenue.	-	-
One-time funding for the BE S.A.F.E. program to provide the additional funding needed to have programming at 11 sites. Programming in FY 21 will be provided at 11 sites Admiral Kidd (CD7); Bixby (CD2); Drake (CD1); Houghton (CD9); King (CD6); Orizaba (CD4); Pan American (CD5); Ramona (CD9); Scherer (CD8); Seaside (CD1); and Silverado (CD7) Parks.	192,000	-
One-time funding of water budget needed to manage plant materials in the parks and to avoid safety issues such as urban tree failures.	600,000	-
<b>Public Works</b>		
Add 4.0 positions, (including a Civil Engineer, two Permit Technicians, and an Engineering Technician position) to support the contracting-in of permit review and issuance work currently completed by a consultant, including wireless communication facility permits and the associated fiber, occupancy and street restoration permits requested.	421,294	4.00
Increase budget for landscape maintenance on medians to adequately maintain the medians at current levels of maintenance.	100,000	-
Contract out 4.0 positions in the parking meter collection and maintenance program for the 1,800 on-street meters and pay-stations. These positions are budgeted across the General Fund and the Tidelands Operating Fund with a total savings of \$170,315. A Prop L analysis and meet and confer process will need to be completed before this can be implemented.	(113,453)	(2.40)
Contract out 4.0 Survey positions across all funds in the Survey Team. Sr. Surveyor position will be kept on as a working supervisor to the contracted surveyors. These positions are budgeted across the General Fund and the Capital Projects Fund with a total savings of \$525,473. A Prop L analysis and meet and confer process will need to be completed before this can be implemented.	(132,573)	(1.00)

Department and Item	Impact	Positions
Eliminate an Assistant Administrative Analyst II in the Administration Division in the Public Service Bureau. Work such as revenue billings will be done by remaining staff.	(119,126)	(1.00)
Eliminate Assistant City Traffic Engineer in the Transportation Mobility Bureau. The work of supporting and mitigating traffic safety related concerns will need to be maintained by other staff with potential increase in response time for traffic related requests and transportation related projects. This position charges across Capital Projects Fund, General Fund, and Tidelands Operating Fund.	(175,437)	(0.80)
Contract in Street Lighting and eliminate the Street Light Maintenance contract (CLP) and increase budgeted positions to reflect contracting-in of street lighting program currently performed by City Light and Power whose contract ends mid-2021.	(1,516,551)	6.00
Reallocate funding for an Administrative Analyst position between the General Fund and Capital Projects Fund to align budgeted position with duties and to projects where actuals are charged.	(81,236)	(0.60)
Reallocate Permit Group staff, across various funds, to align budgeted positions with duties and the projects where actual costs are charged.	18,999	0.50
Reallocate staff and Bike Lane Sweeping budget from General Fund to Proposition C to align budget with an appropriate funding source and to align budgeted positions with duties and the projects where actual costs are charged.	(338,926)	(2.00)
Increase budgeted revenues for excavation permits to align with actual experience and current projections.	(505,585)	-
Increase budgeted revenues from Micro-Mobility Program to reflect current projections.	(200,000)	-
Increase budgeted revenues from Small Cell Program to align with experience and current projections.	(150,000)	-
Increase the Beach Lot Parking Hourly Rate (\$.25/15min increase).	(52,372)	-
Contract in of residential street sweeping in Rossmoor.	(34,810)	-
One-time budget increase for state required Los Cerritos Channel, Lower Los Angeles River, and Lower San Gabriel River Watershed permit.	321,501	-
One-time cost recognizing delays in implementing some of the proposals where savings will not begin right at the beginning of the fiscal year, including the time needed to implement SCE power savings, adding 6.0 positions for street lighting program, materials and supplies, and Proposition L Study for the transfer of parking meter collection and maintenance services.	815,002	

<b>Department and Item</b>	<b>Impact</b>	<b>Positions</b>
One-time funding for purchase of equipment for contracting in of street sweeping residential streets in Rossmoor.	6,250	-
One-time start-up costs for contracting-in street lighting maintenance program - four vehicles and equipment are needed to outfit a street light maintenance crew.	366,726	-
Transfer 26.23 FTE Crossing Guard positions from Police Department to Public Works to align citywide employment opportunities with workforce development goals and streamline the hiring process.	1,420,358	26.23
Transfer Graffiti Contract Program from Public Service Bureau to Environmental Service Bureau to reflect current operations.	-	-

## Summary of Significant Changes: Other Fund Groups

As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund). For ease of review, all reallocations of resources within funds, offset adjustments, and minor changes have not been included.

Fund Group and Item	Impact	Positions
<b>Airport Fund Group</b>		
Increase revenues to reflect FY 21 Airline Rate Increase changes of 10 percent. (Airport)	(1,039,000)	-
Reduce revenues to reflected projected passenger enplanements decreasing from 1.8 million to 1.2 million in FY 21. (Airport)	14,072,614	-
One-time increase to budgeted revenue offset by CARES Act Airport Grant funding. (Airport)	(4,611,627)	-
Implement reductions to various materials and supplies budgets to reflect necessary costs savings within the Airport. Items include less funding for: advertising, marketing and sponsorships including cancelling the Festival of Flight and reducing agreement with CVB; employee trainings and seminars; janitorial, office, facilities and equipment supplies; and legal, technical, consulting, and other contract services. (Airport)	(1,704,200)	-
Reduce budget for Capital Improvement Programs in Terminal Improvement Projects and Airside Operations in order to defer large projects until airport activity increases.	(3,000,000)	-
Reduce budget for maintenance and engineering services provided by the Public Works Department, which can be provided by the Airport Maintenance Division. (Airport)	(180,825)	-
Reduce budget for overtime in Administration, Public Affairs, Operations and Maintenance Divisions. (Airport)	(73,000)	-
One-time reduction in personnel budget equivalent to the cost of twenty-three positions which will be held vacant until airport activity increases. (Airport)	(1,159,350)	-
One-time reduction to vehicle replacement fund for Airport vehicles. (Airport)	(351,096)	-
Add one Assistant Administrative Analyst position as a technical correction to the Public Affairs Division to support LGB marketing strategies and branding efforts including coordinating social media efforts. This position is being added as a technical correction as it was approved in FY 20. (Airport)	99,480	1.00
Convert one Special Services Officer III armed position to a Special Services Officer III un-armed position to align with actual duties. (Airport)	-	-

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
<b>Capital Projects Fund Group</b>		
Contract out 4.0 Survey positions across all funds in the Survey Team. Sr. Surveyor position will be kept on as a working supervisor to the contracted surveyors. These positions are budgeted across the General Fund and the Capital Projects Fund with a total savings of \$525,473. A Prop L analysis and meet and confer process will need to be completed before this can be implemented. (Public Works)	(392,900)	(3.00)
Eliminate Assistant City Traffic Engineer in the Transportation Mobility Bureau. The work of supporting and mitigating traffic safety related concerns will need to be maintained by other staff with potential increase in response time for traffic related requests and transportation related projects. This position charges across Capital Projects Fund, General Fund, and Tidelands Operating Fund (Public Works)	(21,929)	(0.10)
One-time costs recognizing the delay in implementing proposals where savings will not begin right at the beginning of the fiscal year; specifically, this item reflects the delay in contracting out the Survey Team. (Public Works)	196,450	-
Reallocate funding for an Administrative Analyst position between the General Fund and Capital Projects Fund to align budgeted position with duties and to projects where actuals are charged. (Public Works)	81,236	0.60
Reallocate positions in General Fund and Tidelands Fund to the Capital Projects Fund to align budgeted positions with duties and the projects where actual costs are charged. (Public Works)	746,948	5.20
Reallocate staff support from the Proposition C Fund to the Capital Projects Fund to align budgeted positions with duties and reallocate Bike Lane Sweeping expenses and staff from General Fund to Prop C funding to align budgets to where actual costs are charged. (Public Works)	402,846	2.50
Upgrade a Capital Projects Coordinator III to Capital Projects Coordinator IV to properly reflect required duties. This item is aligning budget to actuals. (Public Works)	17,905	-
<b>CUPA Fund Group</b>		
Upgrade one Plan Checker I to a Plan Checker II in the Fire Prevention Bureau and upgrade one Clerk Typist to Assistant Administrative Analyst II in the Certified Unified Program Area to reflect increased position duties and cost will be offset by increased program revenue. (Fire)	-	-
<b>Development Services Fund Group</b>		
One-time expense increase to repay the General Fund support of the Development Services Fund Group following a recession in development in 2009. (Development Services)	500,000	-



<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
<b>Employee Benefits Fund Group</b>		
Downgrade Budget Management Officer to Financial Management Analyst II in Budget Management Bureau. Position is funded across the General Fund and the Employee Benefits Fund. (Financial Management)	(15,521)	0.08
Reduce budget for specialized labor relations consulting, impacting the department's ability to respond to meet and confer issues, PERB charges and appeals. (Human Resources)	(11,507)	-
Remove a negative salary saving placeholder of \$13,000 in the budget, offset by realigning budgeted positions to operations (City Auditor).	-	-
<b>Fleet Services Fund Group</b>		
Eliminate one Equipment Mechanic I in the Maintenance Division due to lower labor needs as a result of maintaining a new, more modern fleet. (Financial Management)	(115,947)	(1.00)
Eliminate one Garage Service Attendant II in the Maintenance Division due to lower labor needs as a result of maintaining a new, more modern fleet. (Financial Management)	(88,686)	(1.00)
Reclassification of positions in Fleet Services Bureau to match the operational needs of servicing a more modern fleet. (Financial Management)	(94,155)	-
Reduce Diesel and Unleaded Fuel budget due to lower anticipated fuel prices. (Financial Management)	(308,873)	-
<b>Gas Fund Group</b>		
Add a Gas Field Technician I to respond to Underground Service Alert requests. The position reviews incoming tickets to determine if the natural gas pipeline system conflicts with the construction and then visits the location to locate and mark the natural gas pipeline system. (Energy Resources)	97,233	1.00
Add a Superintendent of Training to manage the training program for the department to ensure all employees are current with training requirements and to enhance the knowledge and skills of new and existing employees. (Energy Resources)	151,659	1.00
Increase and structurally budget the annual allocation for capital repairs and improvements to the City's gas pipeline infrastructure. This is an increase of \$3 million from previous years, reflecting expected additional transmission revenue along with a growing need to repair and replace aging pipeline. (Energy Resources)	11,050,000	-
Increase budget for billable work related to the installation, repair, and improvement to gas pipeline infrastructure performed for city departments and external agencies. (Energy Resources)	1,000,000	-

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Increase budgeted revenue for transmission rate increase, which have not been increased since 2016 and is currently approximately 30 percent lower than SoCalGas. The proposed natural gas transmission rate increase will result in an estimated increase to the average residential monthly bill of \$2.35, or an effective 10.4 percent overall increase. (Energy Resources)	(8,900,000)	-
Increase the structural Gas Fund transfer to the General Fund by \$288,922 for CPI and \$1,000,000 for a revised total transfer of \$10.9 million, assuming the rate increase is approved. This increase is within Measure M requirements. (Energy Resources)	1,288,922	-
One-time funding for an additional one-time FY 21 transfer to the General Fund, within Measure M requirements. (Energy Resources)	1,150,000	-
One-time funding of \$3.4 million for Cap and Trade funds for projects that reduce greenhouse gas emissions, offset by FY 21 project revenue. (Energy Resources)	-	-
Reclassify various positions to align to operations, including converting a Customer Services Supervisor III to an Assistant Administrative Analyst II; upgrading a Gas Field Services Rep II to III; and reclassifying a Gas Construction Worker II to a Gas Field Technician I and transfer the position from the Construction and Pipeline Maintenance Bureau to the Engineering and Regulatory Compliance Bureau. (Energy Resources)	13,449	-
<b>General Grants Fund Group</b>		
Reduce supplies budget and reallocate funding for Park Planning and Partnerships Bureau staff from General Fund to General Grants Fund, to be offset by grants. (Parks, Recreation and Marine)	61,676	0.43
<b>General Services Fund Group</b>		
Add a Business Systems Specialist III to continue Office 365 support, offset by eliminating the contract budget for as-needed professional services assistance of Office365 support Citywide. (Technology and Innovation)	-	1.00
Add a Communications Specialist I to serve as Camera Operator for LBTv, offset by the elimination of a Broadcast Production Specialist position. (Technology and Innovation)	(12,480)	-
Add a Grants Special Projects Officer in the Accounting Bureau to provide oversight and controls with regard to accounting for and general reporting for projects and grants. Responsibilities will include the accounting structure for city-wide project and grants, oversight of city-wide revenue allocation for projects and grants, coordination and management of the city-wide single audit process, coordination of audit and grant corrective action plans, and accounting and reimbursement processes for emergencies. (Financial Management)	138,735	0.77

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Add a part-time Clerk III-NC for Citywide mobile account billing, offset by savings from other contractual services in the Customer Services Bureau. (Technology and Innovation)	3,791	0.38
Add two Clerk II-NC to align with actual workload demands and expenses of the Mailroom, offset by the elimination of an Office Services Assistant II and reductions in non-personnel budget. (Technology and Innovation)	(46,249)	1.00
Downgrade a Business Systems Specialist V to Systems Support Specialist I in Desktop Support in the Customer Services Bureau, resulting in potentially longer wait times to fulfill equipment ordering and repair requests. (Technology and Innovation)	(73,654)	-
Eliminate a Business Systems Specialist III in the Enterprise Information Services Bureau, resulting in longer wait times for requests for service and project deliverables for utility services system needs. (Technology and Innovation)	(119,126)	(1.00)
Eliminate a Communications Specialist II in the Infrastructure Services Bureau, resulting in longer wait times for requests for service and project deliverables for Citywide network system needs. (Technology and Innovation)	(122,946)	(1.00)
Eliminate an Accounting Operations Officer in the Accounts Payable Division due to efficiencies realized from the new ERP (Munis) system. Position is funded across the General Fund and the General Services Fund. (Financial Management)	(138,735)	(0.77)
Increase budget by \$284,401 for software maintenance to reflect ongoing annual licensing and maintenance expense for the new Records Management System (RMS) in the Police Department, offset by charges to the Police Department from one-time RMS project funds via the annual Memorandum of Understanding (MOU). (Technology and Innovation)	-	-
Increase revenue for annual cable franchise fee to reflect actual trend in recent years. (Technology and Innovation)	(180,000)	-
Reallocate 0.5 FTE Systems Technician I from Business Information Systems Bureau to Customer Services Bureau. (Technology and Innovation)	-	-
Reallocate a Business Systems Specialist III from the Enterprise Information Services Bureau (EIS) to the Business Information Services Bureau to serve as a dedicated resource for the Development Services Department; and add a Business Systems Specialist III to replace the transferred position in the EIS Bureau, offset by reductions in software maintenance budget. (Technology and Innovation)	6,133	1.00
Reallocate position budget and funding from General Services Fund to the General Fund to align with actual operations. (Financial Management)	(11,900)	(0.12)

Fund Group and Item	Impact	Positions
Reclassify and reorganize positions to better align budget to operations in the Business Information Services Bureau. These changes reflect adjusting budget for previously approved positions, creating budgeted positions for previously unbudgeted employees, and adjusting vacant positions to reflect planned classification and/or salary level during recruitment. (Technology and Innovation)	(6,581)	-
Reclassify and reorganize positions to better align budget to operations in the Business Operations Bureau / Executive Office. Changes include, but are not limited to, the elimination of 2 Broadcast Production Specialist Positions, reallocation of one Business Systems Specialist III from Business Information Services Bureau, additions of one Business Systems Specialist III and one Communications Officer, and an upgrade of an Administrative Analyst III to an Administrative Officer. These changes reflect adjusting budget for previously approved positions, creating budgeted positions for previously unbudgeted employees, and adjusting vacant positions to reflect planned classification and/or salary level during recruitment. (Technology and Innovation)	108,669	1.00
Reclassify and reorganize positions to better align budget to operations in the Customer Services Bureau. Changes include, but are not limited to, the replacement of 1 Systems Support Specialist II with 1 Storekeeper II and 1 Systems Technician I. These changes reflect correcting position budgets to eliminate existing overfills, underfills, and crossfills, adjusting budget for previously approved positions and adjusting vacant positions to reflect planned classification and/or salary level during recruitment. (Technology and Innovation)	(54,889)	1.00
Reclassify and reorganize positions to better align budget to operations in the Enterprise Information Systems Bureau. These changes reflect correcting position budgets to eliminate existing overfills, underfills and crossfills and adjusting vacant positions to reflect planned classification and/or salary level during recruitment. (Technology and Innovation)	(45,849)	-
Reclassify and reorganize positions to better align budget to operations in the Infrastructure Services Bureau. Changes include, but are not limited to, the addition of one Business Systems Specialist VI. These changes reflect correcting position budgets to eliminate existing overfills, underfills, and cross-fills, adjusting budget to reflect previously approved positions, creating budgeted positions for previously unbudgeted employees, and adjusting classifications for existing employees to reflect actual duties assigned. (Technology and Innovation)	209,401	1.00
Reclassify four Officers (One Business Information Technology Officer, two Business Information Systems Officers, and one Technical Services Officer) to Information Systems Officer. (Technology and Innovation)	-	-

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Reduce and reallocate various materials and supplies budget to more closely align budget with actual expense trends in critical areas. (Technology and Innovation)	(67,821)	-
Reduce budget for equipment replacement and hardware and software maintenance in the Infrastructure Services Bureau, resulting in higher service level risks and longer outages, more reuse of older parts, and delays to operating or project initiatives. (Technology and Innovation)	(289,000)	-
Reduce charges to user departments for mainframe maintenance and staffing support until mainframe is decommissioned, following Go-Live of LB COAST Phase II, offset by funds available. (Technology and Innovation)	569,012	-
Transition from a paid OpenGov subscription to display the City's financial data to a less expensive open source solution, resulting in ongoing annual licensing and maintenance savings. (Technology and Innovation)	(82,000)	-
Upgrade 0.5 FTE Systems Technician I to 1.00 FTE Systems Technician II in the Customer Services Bureau to support technology needs at Citywide meetings and events and support response to user departments' desktop support needs. (Technology and Innovation)	51,152	0.50
<b>Health Fund Group</b>		
Add 3.0 Community Program Specialist IV (equivalent Administrative Analyst II-Unclassified) positions to support COVID-19 grant budgeting and billing, offset by grant funds. (Health and Human Services)	-	3.00
Add a Community Program Specialist V (equivalent Administrative Analyst III-Unclassified) and a Community Program Specialist II (equivalent Assistant Administrative Analyst II-Unclassified) to support purchasing functions, offset by grant funds. (Health and Human Services)	-	2.00
Add a Community Program Specialist IV-Unclassified to perform analysis to address various public health needs, offset by grant funds. (Health and Human Services)	-	1.00
Add a Special Projects Officer - Grants to manage program and administrative oversight over COVID-19 emergency response, offset by grant funds. (Health and Human Services)	-	1.00
Add one Accountant II-NC, one Accounting Technician-NC, and one Accounting Clerk-NC to support various accounting needs including grants management, offset by grant funds. (Health and Human Services)	-	3.00
Address structural imbalances in the Health Fund by increasing budgeted revenues to align with actuals and eliminate various vacant positions. (Health and Human Services)	(1,589,439)	(6.00)

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Transfer 2.0 Environmental Health Specialist Non-Career positions from the Cannabis Program in the General Fund to the Health Fund and align position duties to the appropriate funding sources. (Health and Human Services)	-	2.00
<b>Insurance Fund Group</b>		
Eliminate a Clerk Typist III in the Safety Division to reflect reorganization of the Division. (Human Resources)	(87,002)	(1.00)
Reduce budget for on-line safety training, now offered as a free service to the City through an insurance consortium. (Human Resources)	(58,250)	-
Upgrade a Non-Career Clerk Typist III to a full-time Clerk Typist III in the Occupational Health & Safety Division to support COVID-19 screening for City employees and support the emergency Live Scan services, offset by a reduction in budget for service contracts. (Human Resources)	-	0.50
<b>Marina Fund Group</b>		
Reclassify a Painter to a General Maintenance Assistant for LB Marina System infrastructure maintenance in the Marine Bureau. (Parks, Recreation and Marine)	-	-
<b>Queen Mary Fund Group</b>		
Upgrade an Assistant Administrative Analyst II to a Administrative Analyst II for an increase of \$15,068 to support Queen Mary activities and transfer the full cost of the position to the Tidelands Operating Fund Group due to funding shortfalls in Queen Mary Fund Group. (Economic Development)	(101,440)	-
<b>Refuse/Recycling Fund Group</b>		
Add a Refuse Field Investigator for recycling and organic waste collection. This position will focus initially on surveying and auditing both City serviced and privately serviced commercial properties to ensure compliance with organic and recycling legislation; and also to ensure City compliance with State mandated bills. (Public Works)	91,539	1.00
Upgrade a Customer Service Supervisor I to Customer Service Supervisor II managing the Refuse Hotline to reflect increase in duties. (Public Works)	4,534	-
<b>SERRF Fund Group</b>		
Increase budget for SERRF operations and maintenance including operator contract and ash disposal. (Energy Resources)	2,000,000	-
Increase budgeted revenue to reflect increase in electricity sales revenue due to a higher \$/kwh plus additional money from a new resource adequacy contract. (Energy Resources)	(2,100,000)	-
Increase budgeted revenue to reflect increase in interest revenue. (Energy Resources)	(52,000)	-

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Increase budgeted revenue to reflect increases in SERFF tip fee revenue due to higher charge per ton for refuse. This reflects additional revenue from both external refuse haulers (\$2.2m) and City of Long Beach refuse (\$212k). (Energy Resources)	(2,400,000)	-
Reduce budget for insurance cost savings due to lower negotiated insurance premiums (Energy Resources)	(2,802,000)	-
<b>Special Advertising &amp; Promotion Fund Group</b>		
Reallocate partial funding for Community Information Officer from the General Fund to the Special Advertising and Promotions Fund; and eliminate funding of approximately \$53,000 for Community Concerts that was added in FY 19 to support marketing, communication materials, and increase program participation. (Parks, Recreation and Marine)	-	0.30
Reallocate the General Fund contribution to the Arts Council from the General Fund to be funded from the Special Advertising and Promotions Fund Group. (City Manager)	25,000	-
Reclassify a Program Specialist to a Clerk Typist III in the Administration Bureau and align budgeted salaries to actuals in the Intergovernmental Affairs Office. (City Manager)	(26,191)	-
Reduce an Events Coordinator I and a Clerk Typist II which support Special Events and Filming and the materials budget to more closely align with actuals. (City Manager)	(203,942)	(2.18)
Reduce half of the Assistant to the City Manager - Administration position and assign selected administrative functions to other staff. Position is funded currently by both the General Fund and Special Advertising and Promotions Fund Groups. (City Manager)	(35,261)	(0.20)
Reduce one Program Specialist position in the Office of Public Affairs which supported communications, marketing and social media messaging; remaining work will be distributed within the Office of Public Affairs. (City Manager)	(112,206)	(1.00)
Reduce ongoing support for the Arts Council for Long Beach due to significant revenue loss in the Special Advertising and Promotions Fund and risk of draining funds available. (City Manager)	(25,215)	-
Reduce ongoing support for the Long Beach Convention and Visitors Bureau due to significant revenue loss in the Special Advertising and Promotions Fund and risk of draining funds available. (City Manager)	(450,000)	-
Reduce ongoing support for the Long Beach Museum of Art due to significant revenue loss in the Special Advertising and Promotions Fund and risk of draining funds available. (City Manager)	(18,450)	-

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
<b>Tidelands Operations Fund Group</b>		
Eliminate 0.50 Clerk Typist III position in the Marine Maintenance Division in the Marine Bureau. The responsibilities for this desk will be consolidated with the Clerk Typist III position in Beach Maintenance Division with anticipated delays in service due to workload. (Parks, Recreation and Marine)	(39,951)	(0.50)
Eliminate 0.53 Recreation Leader Specialist VI position at Leeway Sailing and Aquatics Center in the Community Recreation Services. This reduction will result in fewer hours for equipment maintenance, while still maintaining the minimal amount of time available to keep the program safe. (Parks, Recreation and Marine)	(20,090)	(0.53)
Contract out 4.0 positions in the parking meter collection and maintenance program for the 1,800 on-street meters and pay-stations. These positions are budgeted across the General Fund and the Tidelands Operating Fund with a total savings of \$170,315. A Prop L analysis and meet and confer process will need to be completed before this can be implemented. (Public Works)	(56,862)	(1.60)
Eliminate a Clerk Typist III in the Financial Services Division in the Business Operation Bureau. This position is responsible for supporting the Business Operations Bureau, Financial Services Division with clerical duties. This position is funded in the General Fund and Tidelands Operating Fund. (Parks, Recreation, and Marine)	(35,783)	(0.50)
Eliminate a Clerk Typist III position in the Community Recreation Services Bureau. The work of scheduling permits and reservations will need to be absorbed by remaining staff. Position is funded by General Fund and Tidelands Operating Fund (Parks, Recreation and Marine)	(8,520)	(0.10)
Eliminate an Offset Press Operator position in the Community Information Division. This position is responsible for reprographics related requests for the Department including marketing flyers for programs and events. This position is budgeted in General Fund and Tidelands Operating Fund. (Parks, Recreation and Marine)	(1,908)	(0.02)
Eliminate an Administrative Analyst II in the Community Recreation Services Bureau. This item eliminates one of two Administrative Analyst positions responsible for budget monitoring and development; grant contract management, revenue management and other administrative functions. This position is funded in General Fund and Tidelands Operating Fund. (Parks, Recreation and Marine)	(7,002)	(0.05)



<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Eliminate Assistant City Traffic Engineer in the Transportation Mobility Bureau. The work of supporting and mitigating traffic safety related concerns will need to be maintained by other staff with potential increase in response time for traffic related requests and transportation related projects. This position charges across Capital Projects Fund, General Fund, and Tidelands Operating Fund (Public Works)	(21,929)	(0.10)
Eliminate vacant Audit Manager and vacant Senior Auditor positions to align budgeted personnel with actual operations. (City Auditor)	(290,877)	(2.00)
Implement various organizational, staffing, and material budget changes for Aquatics camp to achieve efficiencies in the Community Recreation Services Bureau. (Parks, Recreation and Marine)	(87,327)	(2.04)
Implement organizational and staffing changes in Marine Operations in the Marine Bureau, including the elimination of one Marina Supervisor, one Marina Agent II; and reduction of Marina Agent III hours. Service impacts may include longer response times and delays in processing new permits/cancelled merits and construction plans. (Parks, Recreation and Marine)	(236,458)	(2.60)
Increase budget to adjust for increased water rates in order to help fund critical Tidelands landscaping and facility water needs in the City's waterfront areas. (Parks, Recreation and Marine)	158,779	-
Increase the Beach Lot Parking Hourly Rate (\$.25/15min increase). (Public Works)	(546,027)	-
Increase Los Cerritos Channel, Lower Los Angeles River, and Lower San Gabriel River Watershed permit. (Public Works)	169,344	-
Increase Tidelands Operating budget to support the funding of an Administrative Analyst II position dedicated to Queen Mary activities. (Economic Development)	116,509	-
One-time cost recognizing delays in implementing some of the proposals where savings will not begin right at the beginning of the fiscal year; specifically, this item reflects the delay in contracting out parking meter collection and maintenance services. (Public Works)	28,431	
One-time reduction for utilities due to anticipated lower usage at the Long Beach Convention Center as a result of COVID-19 pandemic and social distancing guidelines in place. (Economic Development)	(200,000)	-
Realign the budgeted salaries and funding allocations of various positions to align budgeted personnel with actual operations. (City Auditor)	168,616	-

<b>Fund Group and Item</b>	<b>Impact</b>	<b>Positions</b>
Reallocate position budget and funding from the General Fund to Tidelands Operating Fund to align with actual operations (Financial Management)	(56,283)	(0.26)
Reallocate positions in General Fund and Tidelands Fund to align budgeted positions with duties and the projects where actual costs are charged. (Public Works)	(765,947)	(5.70)
Reduce budget by 20 percent for landscape services in the Tidelands Area in the Marine Bureau. This reflects a shift from weekly mowing to bi-weekly mowing of green spaces in highly visible and highly utilized areas within the City. (Parks, Recreation and Marine)	(11,000)	-
Reduce budget for contractual services and engineering services in the Marine Bureau that were utilized for various Tidelands infrastructure analysis; limited funding available for water quality and circulation studies. (Parks, Recreation and Marine)	(93,774)	-
Reduce budget for landscape contract in the Maintenance Operations Bureau for supplemental funding used for emergency work and projects that fall outside the regular scope of duties within the contract. (Parks, Recreation and Marine)	(15,000)	-
Reduce budget for tree trimming services along the Tidelands area in Marine Bureau. Tree-trimming and related services will be done every other year on trees when appropriate. (Parks, Recreation and Marine)	(25,000)	-
Reduce budget for various utilities at the Long Beach Convention Center to better align budget to actual expenses. (Economic Development)	(150,000)	-
Reduce budgeted non-career lifeguard staffing by 10 percent, reducing FTEs from 20.83 to 18.75 and restructure the Jr. Lifeguard Program by eliminating one Marine Safety Officer (MSO) position and upgrading a Clerk Typist III to an Assistant Administrative Analyst I to perform the administrative duties of the Lifeguard Coordinator position. This will result in 5-7 fewer Non-Career Lifeguards on the beach per day, and MSO reduction will result in diminished supervisory staff of seasonal Lifeguards and dive operations. (Fire)	(292,521)	(3.08)
Reduce overtime for Police patrol in the South Division Tidelands area. This is a reduction of approximately 88 10-hours shifts that would have been dedicated to this area. Approximately \$291,000 of budgeted funding will remain. (Police)	(83,034)	-
Remove a negative salary savings placeholder, offset by realigning budgeted positions to operations. (City Auditor)	30,846	-
<b>Towing Fund Group</b>		
Increase budget by \$204,000 for overhead increases and to reflect current contracted towing costs, offset by an increase in towing fees. (Financial Management)	-	-

**Measure A**  
**Summary of FY 21 Sources and Uses**

**Attachment G**

	Total	Structural Portion <sup>1</sup>	One-time Portion			
<b>Measure A Revenue in FY 21</b>	<b>\$ 62,688,149</b>	<b>\$ 62,688,149</b>	<b>\$ -</b>			
<i>Estimate Net of State Board of Equalization Fees</i>						
Set aside for Out-Year Measure A Plan <sup>2</sup>	\$ (1,977,816)	\$ -	\$ -			
	Total	Structural Uses	One-time Uses	Sworn FTEs Maintained <sup>3</sup>	Sworn FTE Added	Non-Sworn FTE Added
<b>Total Uses of Measure A</b>	<b>\$ 60,710,333</b>	<b>\$ 33,995,688</b>	<b>\$ 25,714,645</b>	<b>143.0</b>	<b>37.0</b>	<b>3.0</b>
<b>Invest in Infrastructure (Attachment)</b>	18,514,645	-	18,514,645	-	-	-
<b>Enhance and Maintain Public Safety<sup>3</sup></b>						
Maintain Police Services	18,833,581	18,833,581	-	102.0	-	-
Maintain Fire Services	7,600,717	7,600,717	-	41.0	-	-
Reestablish Police's South Division	1,538,272	1,538,272	-	-	8.0	2.0
Restore Fire Engine 8	2,296,881	2,296,881	-	-	12.0	-
Restore Police Academy Staffing	1,408,805	1,408,805	-	-	9.0	-
Restore Paramedic Rescue 12	1,110,176	1,110,176	-	-	6.0	-
Quality of Life Officers	371,917	371,917	-	-	2.0	-
Neighborhood Safe Streets	2,200,000	-	2,200,000	-	-	
Police Communications Technology	2,600,000		2,600,000			
Set aside funds for Engine 17	2,400,000		2,400,000			
<b>Investment in Community Hospital<sup>4</sup></b>	1,000,000					
<b>Contribute to Rainy Day Fund (Measure B)</b>	626,881	626,881	-	-	-	-
<b>Administer Measure A Tax</b>	208,458	208,458	-	-	-	1.0

<sup>1</sup> Structural portion is available for either ongoing operations or one-time purposes.

<sup>2</sup> Per the FY 20 approved Measure A Plan for out-year funding, funds are being accumulated for future projects such as the rebuilding of the Police and Fire Academies and funding public safety communication technology upgrades.

<sup>3</sup> The FY 21 budget continues to use Measure A to help maintain existing levels of Police and Fire services and has an increased level of structural funding. "Sworn FTEs Maintained" represents the equivalent number of sworn FTEs retained in FY 21 that may have otherwise been reduced but for Measure A funding.

<sup>4</sup> The addition of Community Hospital costs (based on the approval of the 2020 Measure A ballot questions) is the only change to the overall Measure A plan as approved in FY 20.

Measure A – FY 21 Infrastructure Projects		
Program Area	Amount	Scope
<b>Mobility</b>	<b>\$ 15,200,000</b>	
	1,200,000	Alley Improvements
	7,500,000	Arterial Street Improvements
	6,500,000	Curbs and Sidewalks
<b>Parks &amp; Recreation</b>	<b>\$ -</b>	
<b>Public Facilities</b>	<b>\$ 3,314,645</b>	
	1,700,000	Facility Condition Assessment Building Improvements
	1,614,645	Station 9
<b>Beaches</b>	<b>\$ -</b>	
<b>Utilities</b>	<b>\$ -</b>	
<b>Total</b>	<b>\$ 18,514,645</b>	

**Measure A Five-Year Infrastructure Update  
FY 17 - FY 21**

**Attachment I**

<b>Measure A Infrastructure Project</b>	<b>Adjusted FY 17- FY 20 Budget</b>	<b>Proposed FY 21 Budget</b>	<b>Total FY 17- FY 21 Budget</b>	<b>Status</b>
<b>Mobility</b>	<b>\$ 53,697,478</b>	<b>\$ 15,200,000</b>	<b>\$ 68,897,478</b>	
Alley Improvements	5,304,739	1,200,000	6,504,739	Ongoing
Arterial Street Improvements	13,492,739	7,500,000	20,992,739	Ongoing
Curbs and Sidewalks	11,700,000	6,500,000	18,200,000	Ongoing
Naples Bridge	250,000	-	250,000	Ongoing
Residential Street Repair (Overlay)	7,500,000	-	7,500,000	Ongoing
Residential Street Repair (Slurry)	14,000,000	-	14,000,000	Ongoing
Smart Street Light Technology	500,000	-	500,000	Ongoing
Street Signage	200,000	-	200,000	Ongoing
Traffic Circle Improvements	750,000	-	750,000	In Progress
<b>Parks &amp; Recreation</b>	<b>31,222,811</b>	<b>-</b>	<b>31,222,811</b>	
4th St. Senior Center	820,000	-	820,000	*In Progress
Admiral Kidd Field Turf Improvements	-	-	-	Funding Redirected to Silverado Field Turf
Bixby Park Community Center	450,000	-	450,000	*Complete
Bixby Park Parcel 1	350,000	-	350,000	In Progress
Cherry Park Playground	400,000	-	400,000	In Progress
Citywide Park Irrigation	1,065,000	-	1,065,000	*In Progress
Community Center Restrooms	170,000	-	170,000	Complete
Davenport Park Phase II	2,550,000	-	2,550,000	*In Progress
Drake Park - Park to Field Connection	500,000	-	500,000	In Progress
Drake Park Playground	939,000	-	939,000	Complete
Drake Park - Restroom Replacement	630,000	-	630,000	In Progress
Drake/Chavez Greenbelt 4-acre Wetland - Expansion	1,000,000	-	1,000,000	In Progress
Rehabilitate El Dorado Duck Pond	1,754,000	-	1,754,000	In Progress
El Dorado Golden Grove Event Area	500,000	-	500,000	In Progress
EL Dorado Golden Grove Playground	400,000	-	400,000	*In Progress
El Dorado Park - Restroom #40 Rehabilitation	180,000	-	180,000	In Progress
El Dorado Park - Restroom #41 Rehabilitation	180,000	-	180,000	In Progress
El Dorado Park Artificial Turf	2,350,000	-	2,350,000	*In Progress
El Dorado Restroom Replacement #38 & 43	110,000	-	110,000	In Progress
El Dorado Tennis Courts	150,000	-	150,000	Complete
Heartwell Field Turf	320,000	-	320,000	Complete
Houghton Park Community Center	5,741,896	-	5,741,896	Complete
Hudson Field Turf	-	-	-	Funding Redirected to Silverado Field Turf
Jackson Park Playground	150,000	-	150,000	*Complete
Jenni Rivera Park Playground	250,000	-	250,000	Complete
Los Cerritos Park	1,000,000	-	1,000,000	Complete
Los Cerritos Park Sports Courts	100,000	-	100,000	Complete
MacArthur Park	56,000	-	56,000	Complete
MacArthur Park - Restroom Replacement	750,000	-	750,000	In Progress
Martin Luther King Jr. Park	42,000	-	42,000	Complete
Pan American Park	160,000	-	160,000	Complete
Rancho Los Alamitos	1,000,000	-	1,000,000	*Complete
Rancho Los Cerritos	1,000,000	-	1,000,000	*In Progress
Recreation Park Playground	1,000,000	-	1,000,000	In Progress
Red Car Greenbelt (P.E. Right-of-Way)	300,000	-	300,000	*Complete
Restoration Work at Los Cerritos Wetlands	500,000	-	500,000	In Progress

**Measure A Five-Year Infrastructure Update  
FY 17 - FY 21**

**Attachment I**

<b>Measure A Infrastructure Project</b>	<b>Adjusted FY 17- FY 20 Budget</b>	<b>Proposed FY 21 Budget</b>	<b>Total FY 17- FY 21 Budget</b>	<b>Status</b>
Silverado Field Turf	480,000	-	480,000	Complete; Budget Increased from Admiral Kidd and Hudson Park
Silverado Park	100,000	-	100,000	Complete
Silverado Park Sports Courts	100,000	-	100,000	In Progress
Stearns Community Center	800,915	-	800,915	Complete
Urban Forest Investment	845,000	-	845,000	Complete
Veterans Park Community Center	160,000	-	160,000	*In Progress; Previously Funded "Field Turf"
Veterans Park Playground	963,000	-	963,000	Complete
Whaley Park Playground	906,000	-	906,000	Complete
<b>Public Facilities</b>	<b>24,398,645</b>	<b>3,314,645</b>	<b>27,713,290</b>	
Alamitos Branch Improvements	1,061,000	-	1,061,000	In Progress
Animal Care Facility	450,000	-	450,000	In Progress
Bayshore Library Improvements	750,000	-	750,000	In Progress
Brewitt Branch Library	62,000	-	62,000	Complete
Burnett Branch Library	172,000	-	172,000	Complete
City Place Parking Garage	1,450,000	-	1,450,000	*In Progress
Dana Branch Library	103,000	-	103,000	Complete
El Dorado Branch Improvements	1,024,000	-	1,024,000	In Progress
Emergency Communications and Operations	830,000	-	830,000	In Progress
Expo Building	200,000	-	200,000	Complete
Facility Condition Assessment and Improvements	5,949,000	1,500,000	7,449,000	On Going
Fire Station 1 Improvements	495,000	-	495,000	In Progress
Fire Station 7	120,000	-	120,000	Complete
Fire Station 9	4,514,645	1,614,645	6,129,290	In Progress
Fire Station 10	250,000	-	250,000	Complete
Fire Station 14 Improvements	295,000	-	295,000	In Progress
Fire Station 17	35,000	-	35,000	*Complete
Fire Station Roofs (FS 2, 4, 7, 10 Gender Separation)	650,000	-	650,000	Complete
Fire Training Center	525,000	-	525,000	In Progress
Harte Branch Library	102,000	-	102,000	*Complete
Library Roof Improvements	280,000	-	280,000	Complete
Los Altos Library	47,000	-	47,000	Complete
Main Health Facilities Center	1,250,000	-	1,250,000	Complete
Mark Twain Library	47,000	-	47,000	Complete
North Health Facility Improvements	770,000	-	770,000	*In Progress
PD Academy Building	1,400,000	-	1,400,000	In Progress
Police Crime Lab	-	-	-	Funding Redirected to Public Safety Building
Public Safety Building	1,000,000	-	1,000,000	Complete
Ruth Bach Library	67,000	-	67,000	Complete
West Police Station Building Improvements	500,000	-	500,000	Complete
Critical Infrastructure Reserve	-	200,000	200,000	
<b>Beaches</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>	
Colorado Lagoon Improvements	150,000	-	150,000	FY 20 New Funding
<b>Utilities</b>	<b>5,000,000</b>	<b>-</b>	<b>5,000,000</b>	
Stormwater Protection (Pump Stations)	5,000,000	-	5,000,000	Ongoing
<b>Grand Total</b>	<b>\$ 114,468,934</b>	<b>\$ 18,514,645</b>	<b>\$ 132,983,579</b>	

(\*) Indicates project scope changes have occurred since the project was initially funded in response to increased project expense needs or budget savings.

Proposed FY 21 - Measure A Allocations (FY 17 - FY 27)

Attachment J

Summary Detail

\$ in Millions	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Estimated	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
<b>Total Revenue</b>	38.92	61.54	66.37	56.57	62.69	65.28	54.63	51.94	53.50	55.10	56.75	623.29
<b>Total Uses</b>	(35.61)	(52.56)	(64.83)	(65.64)	(60.71)	(65.05)	(54.01)	(34.89)	(34.90)	(35.92)	(35.94)	(540.07)
<b>Surplus/(Shortfall)</b>	3.31	8.98	1.54	(9.07)	1.98	0.22	0.61	17.05	18.59	19.18	20.82	83.22
<i>Planned Releases/(Reserves) <sup>1</sup></i>	(3.31)	(8.98)	(1.54)	9.07	(1.98)	(0.22)	6.96					0.00
<b>Net Surplus/(Shortfall)<sup>2</sup></b>	-	-	-	-	-	-	7.58	17.05	18.59	19.18	20.82	83.22

Structural Portion

<i>Revenue</i>	<b>23.76</b>	<b>26.55</b>	<b>33.18</b>	<b>28.28</b>	<b>62.69</b>	<b>65.28</b>	<b>54.63</b>	<b>51.94</b>	<b>53.50</b>	<b>55.10</b>	<b>56.75</b>	<b>511.66</b>
<i>Uses</i>												
Public Safety Maintenance	(3.16)	(8.29)	(19.34)	(21.90)	(26.43)	(26.43)	(26.43)	(26.43)	(26.43)	(26.43)	(26.43)	(237.73)
Public Safety Restorations & Enhancements	(5.34)	(6.35)	(7.16)	(7.16)	(6.73)	(6.73)	(6.73)	(6.73)	(6.73)	(6.73)	(6.73)	(73.09)
<i>Fire Engine 8</i>	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(2.30)	(25.27)
<i>Paramedic Rescue 12</i>	(0.65)	(1.11)	(1.11)	(1.11)	(1.11)	(1.11)	(1.11)	(1.11)	(1.11)	(1.11)	(1.11)	(11.75)
<i>HEART Team</i>	-	-	(0.44)	(0.44)	-	-	-	-	-	-	-	(0.87)
<i>Police South Division</i>	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(1.54)	(16.92)
<i>Police Academy Staffing</i>	(0.85)	(1.41)	(1.41)	(1.41)	(1.41)	(1.41)	(1.41)	(1.41)	(1.41)	(1.41)	(1.41)	(14.94)
<i>Quality of Life Unit</i>	-	-	(0.37)	(0.37)	(0.37)	(0.37)	(0.37)	(0.37)	(0.37)	(0.37)	(0.37)	(3.35)
Measure B	(0.39)	(0.62)	(0.66)	(0.57)	(0.63)	(0.65)	(0.55)	(0.52)	(0.53)	(0.55)	(0.57)	(6.23)
Admin	(0.15)	(0.22)	(0.15)	(0.21)	(0.21)	(0.21)	(0.21)	(0.21)	(0.21)	(0.21)	(0.21)	(2.19)
One-Time Uses	-	-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure*</i>	(13.86)	(2.46)	-	-	-	-	-	-	-	-	-	(16.32)
<i>South Division One-Times</i>	(0.83)	-	-	-	-	-	-	-	-	-	-	(0.83)
<i>Police Academy</i>	-	(4.30)	-	-	-	-	-	-	-	-	-	(4.30)
<i>Network Camera Modernization</i>	-	(0.75)	-	-	-	-	-	-	-	-	-	(0.75)
<i>Police Overtime</i>	-	(1.00)	-	-	-	-	-	-	-	-	-	(1.00)
<i>Public Safety Handhelds</i>	-	(0.54)	-	-	-	-	-	-	-	-	-	(0.54)
<i>Subtotal One-Time Uses</i>	(14.69)	(9.05)	-	-	-	-	-	-	-	-	-	(23.75)
<b>Total Uses</b>	<b>(23.73)</b>	<b>(24.54)</b>	<b>(27.31)</b>	<b>(29.83)</b>	<b>(34.00)</b>	<b>(34.02)</b>	<b>(33.92)</b>	<b>(33.89)</b>	<b>(33.90)</b>	<b>(33.92)</b>	<b>(33.94)</b>	<b>(342.99)</b>
<i>Structural Available / (Shortfall)</i>	0.03	2.02	5.87	(1.55)	28.69	31.25	20.71	18.05	19.59	21.18	22.82	168.68

**Proposed FY 21 - Measure A Allocations (FY 17 - FY 27)**  
Summary Detail

Attachment J

\$ in Millions	FY 2017 Actuals	FY 2018 Actuals	FY 2019 Actuals	FY 2020 Estimated	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
<b>One-Time</b>												
Revenue	15.16	34.99	33.18	28.28	-	-	-	-	-	-	-	111.62
Uses												
Community Hospital <sup>3</sup>	-	-	-	-	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(2.00)	(2.00)	(9.00)
Irrigation Pumps	-	-	-	(0.10)	-	-	-	-	-	-	-	(0.10)
Magnolia Tree Program and Stump Removal	-	-	-	(0.20)	-	-	-	-	-	-	-	(0.20)
Infrastructure <sup>4</sup>	(11.88)	(28.03)	(31.88)	(26.36)	(18.51)	(13.33)	(16.90)	-	-	-	-	(146.89)
Fire Recruit Academy	-	-	(0.90)	-	-	-	-	-	-	-	-	(0.90)
HEART Team Vehicle	-	-	(0.13)	-	-	-	-	-	-	-	-	(0.13)
Police Recruit Academy	-	-	(2.10)	(3.20)	-	-	-	-	-	-	-	(5.30)
Police Body-Worn Cameras	-	-	-	(1.36)	-	-	-	-	-	-	-	(1.36)
Neighborhood Safe Streets	-	-	(1.90)	(2.20)	(2.20)	(2.20)	(2.20)	-	-	-	-	(10.70)
Public Safety Communications Technology	-	-	-	(0.10)	(2.60)	(14.50)	-	-	-	-	-	(17.20)
Police Jail Clinician Program	-	-	-	-	-	-	-	-	-	-	-	-
Set Aside for Engine 17	-	-	-	(2.30)	(2.40)	-	-	-	-	-	-	(4.70)
Network Camera Modernization	-	-	(0.60)	-	-	-	-	-	-	-	-	(0.60)
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	(11.88)	(28.03)	(37.51)	(35.81)	(26.71)	(31.03)	(20.10)	(1.00)	(1.00)	(2.00)	(2.00)	(197.08)
One-time Available / (Shortfall)	3.28	6.96	(4.33)	(7.53)	(26.71)	(31.03)	(20.10)	(1.00)	(1.00)	(2.00)	(2.00)	(85.46)
<b>TOTAL AVAILABLE / (SHORTFALL)</b>	3.31	8.98	1.54	(9.07)	1.98	0.22	0.61	17.05	18.59	19.18	20.82	83.22
<b>CUMULATIVE</b>	3.31	12.30	13.84	4.76	6.74	6.96	7.58	24.63	43.22	62.40	83.22	NA
<b>*Total infrastructure</b> <i>(From combined one-time and structural portions)</i>	25.74	30.49	31.88	26.36	18.51	13.33	16.90	-	-	-	-	163.22

<sup>1</sup>. Planned Releases/(Reserves) account for the setting aside of surplus in the current year or the release of any surplus accumulated from prior years to fund the approved Measure A out-year plan or to provide funding for projects in future years. In FY 20, additional reserves (beyond the original plan) are anticipated to be released to offset the FY 20 revenue loss due to the COVID-19 pandemic. With the rearrangement of surplus releases and projected revenue increased in out-years all previously approved projects are able to be funded in this plan.

<sup>2</sup>. Net Surplus/(Shortfall) figures represent additional funds not yet allocated as a result of either the recent ballot measure that made Measure A funding permanent or revenue projection changes. Due to the uncertainty of revenue projections as impacted by the pandemic and the very uncertain future budget status, it is not recommended to allocate these funds at time. This will be included in a future recommendation to be brought to City Council once more information on the pandemic's impact on revenue and future shortfalls becomes available

<sup>3</sup>. The addition of Community Hospital costs (based on the approval of the 2020 Measure A ballot questions) is the only change to the overall Measure A plan as approved in FY 20.

<sup>4</sup>. Amounts in the Infrastructure Category include costs for public safety facilities, including the Police and Fire Academy rebuilds at \$15 million and \$6.5 million, respectively. As part of the FY 20 Budget adoption night actions, an additional \$3.0 million was allocated for Station 9 bringing the total allocated to \$7.7 million between FY 20 and FY 23.



# Proposed FY 21 - Measure A Allocations (FY 17 - FY 27)

Attachment J

## Summary Detail

Infrastructure Category (\$ in Millions)	FY 17 Adjusted	FY 18 Adjusted	FY 19 Adjusted	FY 20 Adjusted	FY 21 Proposed	FY 22 Planned Uses	FY 23 Planned Uses	Total Planned Uses
Beaches & Marinas	-	-	-	0.2	-	-	0.5	0.7
Mobility	16.5	16.3	9.5	11.3	15.2	2.8	0.2	71.9
Parks & Recreation	6.1	9.3	11.5	4.3	-	1.5	-	32.7
Public Facilities	3.1	3.3	9.0	9.0	3.3	9.0	16.2	52.9
<i>Police Academy Facility Rebuild</i>	-	-	-	0.5	-	7.0	7.0	14.5
<i>Fire Academy Facility Rebuild</i>	-	-	-	-	-	0.8	5.7	6.5
<i>Station 9</i>				4.5	1.6	0.5	1.1	7.7
<i>Other Public Facilities / (Cost &amp; Revenue Variances)</i>	-	-	-	4.0		0.7	2.4	7.1
Utilities (Stormwater Protection)		1.6	1.9	1.5	-	-	-	5.0
<b>Grand Total (\$ in Millions)</b>	<b>\$ 25.7</b>	<b>\$ 30.5</b>	<b>\$ 31.9</b>	<b>\$ 26.3</b>	<b>\$ 18.5</b>	<b>\$ 13.3</b>	<b>\$ 16.9</b>	<b>\$ 163.1</b>

# Measure MA: FY 21 Summary of Uses

Attachment K

FY 21 Cannabis Regulatory and Enforcement Program		
Department	Amount	Scope
City Attorney	\$ 165,136	Supports one position for the current level of cannabis work and fund outside legal counsel services to help defend the City in cannabis litigation and administrative proceedings and assist with enforcement of unlicensed facilities.
City Manager	229,771	Supports 1.5 FTE positions to coordinate the City's overall multi-Department efforts to regulate the cannabis industry, including licensed business regulation, unlicensed business enforcement, cannabis social equity and personal use policy development.
City Prosecutor	144,383	Provide advisory support to the administrative enforcement team, and assist with criminal prosecution of illegal cannabis operators.
Development Services	142,413	Supports 0.5 FTE of Code Enforcement inspection staff responsible for proactively identifying cannabis businesses' facilities that have not obtained the proper building permits and responding to requests for service, including site visits; coordination with other City departments and property owners; issuance of citations; and court appearances and materials and supplies. Other responsibilities include the vacant lot monitoring program and general nuisance abatement.
Financial Management	448,411	Supports two Business License staff who field complaints, track cases, schedule site visits, enforce operating conditions, issue citations, coordinate with Community Liaisons, schedule inspections, process license revocations, and manage general administrative duties. Staff also participate in the unlicensed enforcement approach and receive and account for taxes paid by cannabis businesses.
Health and Human Services	184,496	Supports 1.0 FTE to plan check and inspect cannabis businesses to ensure compliance with food safety, hazardous waste, and other public health requirements. Additionally, coordinates public education and prevention programs to address cannabis perception and use.
Fire	471,169	A two person team to perform inspections, issue citations, and red tag facilities when appropriate and part time clerical staff to assist the team. Staff also review, inspect and certify legal cannabis facilities to ensure that businesses will open safely and in a timely manner, and develop policies.
Police	55,000	Support background investigations of cannabis business owners prior to license issuance. Additionally, funds overtime and training costs to expand the number of police officers who are certified as Drug Recognition Experts (DRE).
Racial Equity Program Support		
Racial Equity Program Support	2,475,299	Measure MA revenues has been allocated to fund the structural costs of the enhancements related to the Racial Equity and Reconciliation Initiative. This includes \$1.5 million for Plan implementation; a Deputy City Manager position; Community Program Specialist position for the Office of Equity; funding to study and implement reforms for the CPCC; redesign of the HEART team to have a greater public health focus using nurses; and Senior programming at the Expo Center.
Public Health and Safety Program Support		
Public Health and Safety	4,183,121	To prioritize Measure MA funds for public health and safety, in addition to Cannabis regulation and enforcement and Racial Equity program support, revenues have been allocated to support public health and safety related operations. Funds are helping to support the costs two Quality of Life (QOL) Police Officers responsible for referring individuals to services and assisting in mental health evaluations; a Clean Team to coordinate and complete all homeless cleanups in the City; Health Department programming to maintain support for homeless services; Violence prevention unit; Lifelong learning programs at Obama and Twain libraries; Neighborhood Resource Center and Improvement program; Be SAFE structural funding for 8 sites; Senior Center Administration; and other programming
Budget Stabilization Fund: Measure B		
Budget Stabilization Fund	85,851	Measure B requires 1 percent of new tax revenues generated each year. Represents the amount of Measure MA funds anticipated to be reserve per Measure B.
<b>Total</b>	<b>\$ 8,585,051</b>	

## EXECUTIVE SUMMARY

### OVERALL BUDGET FINANCIAL SUMMARY<sup>1</sup>

The Fiscal Year 2021 (October 1, 2020 through September 30, 2021) all funds budget for the City of Long Beach is estimated to total \$2.6 billion, including \$491 million for the Capital Improvement Plan. Table 1 below shows the total Proposed Budget for the City's General Fund Group, including one-time expenditures, enterprise fund groups (Gas, Refuse, Water, Airport, Development Services, Harbor etc.) and all other fund groups (Successor Agency Operations, Debt Service, etc.). Due to the modified budget process and timeline this year, the Proposed FY 21 budget number reflects only the City Manager Proposed Budget decisions and do not yet include updates for interdepartmental charges, grant and carryover clean up, and other technical budget items. These numbers will be updated for the Adopted Budget and are anticipated to change and likely increase the FY 21 expenditures, particularly in the non-General Fund fund groups.

Table 1. Total Budget (\$ in millions)					
		<u>FY 20 Adopted</u>	<u>FY 21 Proposed</u>	<u>% of Total</u>	<u>% Change</u>
General Fund - Recurring	\$	521.1	\$ 538.5	20%	3%
General Fund - One-Time		34.7	5.1	0%	-85%
Enterprise Funds		1,147.4	1,126.0	43%	-2%
All Others		1,101.6	976.9	37%	-11%
<b>Total</b>	<b>\$</b>	<b>2,804.8</b>	<b>\$ 2,646.6</b>	<b>100%</b>	<b>-6%</b>

Attachments L through T as outlined below provides additional financial summary details at this point in time. These attachments will be updated when the budget is adopted to reflect updates to estimates and final system balancing:

- Attachment L – Summary of Budgets by Department (All Fund Groups)
- Attachment M– Summary of Budgets by Department (General Fund Group)
- Attachment N – Summary of FTEs by Department (All Fund Groups)
- Attachment O – Summary of FTEs by Department (General Fund Group)
- Attachment P – Summary of FY 20 to FY 21 FTE Changes by Department
- Attachment Q – Summary of Expenditures by Fund Group
- Attachment R – Summary of Revenue by Fund Group
- Attachment S – General Fund Top 40 Revenues
- Attachment T – Fiscal Policies

### GENERAL FUND GROUP

The General Fund group accounts for approximately 20 percent of the total budget and provides many of the resources for core City services. This includes policing, fire response, parks, streets

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<sup>1</sup> Due to the shortened nature of the budget process as impacted by the COVID-19 pandemic, the numbers presented in this summary and attachments are estimates and may change at budget adoption and at the time the final budget document is prepared.

## EXECUTIVE SUMMARY

and sidewalks repair, and library services. Most other fund groups and resources are restricted by law for other purposes and cannot be used to support these core functions.

### ***Balancing the FY 21 Budget***

The May budget projection provided to City Council during the FY 21 budget development process indicated an estimated shortfall at that time of \$30 million. This shortfall has been resolved for FY 21 using a multi-prong strategic approach that considers cost saving innovations and efficiencies, new and reallocated revenues, departmental structural service reductions, and utilization of one-time savings including the use of reserves, and potentially savings through employee furloughs and other employee contributions from employee labor groups to help transition into permanent service reductions. This multi-pronged approach has also allowed for the funding of the high priority and critical enhancements related to the Racial Equity and Reconciliation Initiative and addressing the impacts of systemic racism in Long Beach.

Table 2 below shows the breakdown of the budget balancing actions with additional information provided below the table. Details for many of these items can also be found either in other places in this executive summary or in the City Manager's Transmittal Memo. Ultimately, the City has balanced the FY 21 budget shortfall through a combination of structural solutions as well as the utilization of one-time savings at a little less than \$14 million. The majority of these one-time savings are from the potential furloughs or other savings being negotiated with the employee labor groups, which would provide immediate short-term relief to help avoid significant layoffs and service reductions in FY 21. The use of one-time funds is typically not recommended in balancing a budget as the solutions are temporary only for the current proposed year, and any shortfall covered by one-time funds used will need to be solved structurally in the subsequent year, exacerbating future year challenges. However, given the unique and extraordinary situations of the current year due to the pandemic, the level of uncertainty that exists with the economy and how it will react and adapt to the current events, and the significant size of the shortfall with its implications on painful service reductions to the community, the use of one-time funds is a recommended strategic element for balancing FY 21.

## EXECUTIVE SUMMARY

Table 2. FY 21 General Fund Budget Balancing Elements (\$ in millions)			
	Structural	One-time	Total
Preliminary Shortfall as of May	(30.2)	-	(30.2)
Citywide Revenue/Expense Updates	1.7	-	1.7
Reduced Water Transfer	(2.0)	-	(2.0)
<u>Departmental Submittals</u>			
Department Reductions	16.9	1.9	18.8
Racial Equity and Reconciliation Adds	(2.5)	-	(2.5)
One-time Implementation Delay Costs	-	(1.9)	(1.9)
<u>Other Budget Balancing Items</u>			
Increase Cannabis Tax	0.8	-	0.8
Related Funds Savings to General Fund	1.4	-	1.4
Employee groups contributions	-	11.0	11.0
Anticipated use of reserves	-	2.9	2.9
Revised Surplus / (Shortfall)	(13.9)	13.9	0.0
<b><u>Other One-time Uses and Sources</u></b>			
<b><u>Uses</u></b>			
Racial Equity and Reconciliation One-times		(0.7)	
Strategic Investment One-times		(3.7)	
Other departmental one-times		(0.1)	
<b><u>Sources</u></b>			
Additional Gas Fund Transfer and other adjustments		1.3	
Anticipated use of reserves		3.3	
<b>Total One-time Sources/(Uses)</b>		-	
<b>TOTAL ANTICIPATED USE OF RESERVES</b>			
For balancing budget and one-times		6.1	

- *Preliminary Shortfall as of May* – The preliminary General Fund Group shortfall for FY 21 as presented to the City Council in May 2020. This included additional revenue of \$4.1 million from expected additional Measure A revenue which was trending above budget.
- *Citywide Revenue/Expense Updates* – Since May, minor updates to citywide revenue and expense projection updates resulted in a reduction of the shortfall by \$1.7 million.
- *Reduced Water Transfer* – In recent years, the City has received from the Water Department a Water Fund Group transfer amount linked to historical transfer

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amounts. The amount typically increases each year with inflation. For FY 21, the Water Board has proposed reducing the historically-based transfer amount by \$2 million, which is an additional impact on the budget on top of the costs related to the Measure M settlement. This adjustment reflects that transfer reduction.

- *Department Reductions* – Departmental net reductions saved about \$18.8 million.
- *Racial Equity and Reconciliation Adds* – Enhancements related to the Racial Equity and Reconciliation Initiative add \$2.5 million in costs.
- *One-time Implementation Delay Costs* – The one-time implementation delay costs for some reductions will result in reduced savings for FY 21 (savings will not be for the entire year). An example are items that contract out City services and require a special study before that can be done.
- *Increase Cannabis Tax Rate* – This is a proposed 1 percent increase in the business license tax rate (within voter approved authorization) on cannabis dispensary businesses. It is estimated to generate about \$800,000 in additional revenues and will be used for the purposes earlier designated by City Council and to fund the Racial Equity and Reconciliation efforts.
- *Related Funds Savings to General Fund* – These savings of approximately \$1.4 million includes reductions in charges by the General Services Fund Group and the Fleet Services Fund Group due to service and other adjustments, therefore generating savings in the charges to the General Fund Group.
- *Employee Groups Contributions* – The City is negotiating with employee groups seeking savings of at least \$11 million through employee furloughs or other actions that employee bargaining groups may agree to in these difficult times to prevent further service reductions and avoid additional layoffs. Any one-time contributions will help mitigate service reductions in FY 21. If these one-time savings are not realized, the City will need to implement other service reductions mid-year and/or utilize even more operating or emergency reserves.
- *Anticipated Use of Reserves* – The City anticipates that even with all other actions described above, approximately \$2.9 million of reserves will be needed to balance the FY 21 operating budget. Additional reserve use is also anticipated to be needed to fund key one-time investments included in the budget and described below.
- *Other One-time Investments* – The Proposed FY 21 budget also includes strategic one-time investments needed for the Racial Equity and Reconciliation Initiative, citywide strategic one-times, and other departmental items. These items are further described in the City Manager's Message and Attachments and total to approximately \$4.5 million.
- *Sources for One-time investment needs* – A one-time additional Gas Fund Group transfer to the General Fund Group above the structurally budgeted level is anticipated to help fund at approximately \$1.3 million, but an additional \$3.3 million is anticipated to be needed and funded by drawing down reserves.

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- Total use of Reserves to balance the structural shortfall and one-time investment needs –**  
 The drawing down of reserves to cover the remaining gaps of the structural shortfall and one-time funding needs is estimated at approximately \$6.1 million. Currently the City's operating reserve has 13.5 million (which includes \$1.7 million from Measure B) and the Emergency Reserve has \$45.5 million. It is anticipated that some of these funds may be needed to help resolve the FY 20 shortfall and so it is uncertain at this time how much of the reserves will be available for use in FY 21. Again, the proposed use of these reserves is only due to the unprecedented situation as exacerbated by the pandemic and the significant level of uncertainty in knowing how the economy will respond in the short and long-term. It is not a recommended approach for budget balancing in normal circumstances as it would not be fiscally prudent to deplete the use of reserves that may be needed for future needs or emergencies (i.e. earthquakes).

### **Proposed FY 21 General Fund Group Changes By Department**

Table 3 summarizes the departmental net fund impact of the FY 21 General Fund Group proposed changes excluding one-times, along with the budgeted position changes. The total departmental changes were approximately \$16.3 million (made up of \$18.8 million in reductions plus a cost of \$2.5 million in enhancements related to the Racial Equity and Reconciliation Initiative). These figures exclude any Measure A changes as that is discussed and documented separately as part of the Measure A plan. The details of what makes up these changes by department are detailed in Attachment E to the City Manager's Transmittal Memo.

<b>Table 3. FY 21 Structural General Fund Net Impacts by Department</b>			
Departments	FY 21 Proposed Changes	Position Changes	% of General Fund Dept Solutions
Mayor and Council	(237,500)	-	1.5%
City Attorney	(138,998)	(2.00)	0.9%
City Auditor	(108,708)	(2.00)	0.7%
City Clerk	(111,693)	(1.00)	0.7%
City Manager	624,034	1.20	-3.8%
City Prosecutor	(243,500)	-	1.5%
Civil Service	(125,632)	(0.70)	0.8%
Development Services	(249,511)	(4.00)	1.5%
Disaster Preparedness and Emergency Communications	(471,360)	(2.00)	2.9%
Economic Development	(139,000)	-	0.9%
Financial Management	(1,292,311)	(11.71)	7.9%
Fire	(2,762,324)	(3.08)	17.0%
Health & Human Services	1,539,936	(1.00)	-9.5%
Library Services	(247,144)	0.70	1.5%
Parks, Recreation and Marine	(613,026)	(11.47)	3.8%
Police	(10,239,823)	(64.53)	62.9%
Public Works	(1,462,308)	28.93	9.0%
<b>TOTAL</b>	<b>(16,278,868)</b>	<b>(72.66)</b>	<b>100.0%</b>
<i>* Excludes Citywide Activities</i>			

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- *4 percent reduction average* - Department reductions were done using a Balanced Outcomes Budget Approach, not across the board reductions. Overall departmental reductions were about 4 percent of their budgets, representing a significant portion of their budgets but preserving core operations. The larger the department, generally the larger the dollar contribution to the overall shortfall solutions. Additionally, if potential employee furlough savings are factored in, departments are cutting costs in FY 21 by an average of 9 percent of their budgets.
- *Police Department is 63 percent of the savings* - The Police Department's reduction makes up 63 percent of the \$16.3 million in reductions as they are the largest department and their reductions have a larger dollar value than cuts in a smaller department. When the potential furloughs are included, the FY 21 reduction for the department is approximately \$12.9 million at 5.2 percent of their departmental budget.
- *The Fire Department's reduction uses one-time savings for FY 21* - \$1.9 million of the \$2.8 million in budget reductions are temporary one-time elimination of funding for fleet replacement until the Fire Department can identify permanent cuts for FY 22 or earlier. A comprehensive study will be conducted in FY 21 to assess Fire operations and develop approaches for Fire Department reductions that will need to be included in the Proposed FY 22 budget, identifying the \$1.9 million in structural solutions from FY 21 as well as any additional amount needed for FY 22. The temporary delay in fleet replacement funding means that a large portion of the Fire fleet will be one-year older before it can be replaced.
- *City Manager Department increases reflect reductions offset by addressing the Racial Equity and Reconciliation Initiatives* – the City Manager's Department includes reductions but they are offset by the transfer of the Office of Equity from the Health Department and other priority enhancements related to the Racial Equity and Reconciliation Initiative. Excluding these enhancements, the City Manager's reduction items totaled about \$146,000.
- *Health Department increase includes the reallocation of HEART teams and funding to implement Racial Equity and Reconciliation Initiative* – The Health Department's changes include the addition of 3 nurse positions as part of redesigning the Homeless Education and Response Team (HEART) with a greater public health focus utilizing Nurse positions rather than Firefighters. The current two HEART teams, each staffed by two Firefighters, will now be staffed by two Nurses positions for each HEART team, utilizing this additional of 3 new Nurse positions and a 4<sup>th</sup> Nurse position funded from grants. In addition, the changes also include the \$1.5 million set-aside for implementation of the Racial Equity and Reconciliation Initiative.

### **General Fund Group Budget Outlook**

As part of its financial planning, the City provides a multi-year forecast of the General Fund Group, assuming no change in service levels. A preliminary projection is provided at the beginning of the budget process and an updated projection is provided when the proposed budget is released and is then periodically updated thereafter.



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Table 4 below shows the General Fund Group Budget Outlook through FY 24. Based on the Outlook, there are extremely challenging years ahead. The FY 22 shortfall includes the carryover impact of the FY 21 shortfall that was resolved only temporarily by the use of one-times. That \$14 million portion of the FY 21 shortfall needs to be solved structurally in FY 22 along with the FY 22 base shortfall of \$18 million. The shortfalls in any year assume that the shortfalls from a previous year have been structurally resolved (except for FY 21 as described).

Table 4: General Fund Surplus / (Shortfall) in \$ Millions*					
	FY 21 Proposed	FY 22 Projection	FY 23 Projection	FY 24 Projection	Total
Surplus/(Shortfall)	-	(18)	(23)	(22)	<b>(63)</b>
<i>Additional Shortfall from Previous Year</i>	-	(14)	-	-	<b>(14)</b>
<b>Total Shortfall</b>	-	<b>(32)</b>	<b>(23)</b>	<b>(22)</b>	<b>(76)</b>

\* This chart assumes that any shortfalls are structurally solved each year.

The Outlook includes the following assumptions:

- The pandemic is going to have a continued impact into FY 21
- The recovery begins in FY 21, but revenues will not be at its previous FY 19 levels for a couple years.
- No resurgence of the pandemic or a second wave.
- Negotiated contract costs are included and general cost of living wage increase are assumed for others. This assumption will be revised based on actual negotiated contracts.

There is a great deal of uncertainty as to what will be the actual impacts of the pandemic on the economy and what the impacts will be on businesses, industries, and City revenue. This will continue to be closely monitored. These projections also do not include any additional costs incurred by the City in response to the pandemic. The City continues to apply for grants and advocate for State and Federal funds to offset costs associated with responding to the public health emergency.

### **Major General Fund Group Revenue Trends**

Revenues in the General Fund Group are typically unrestricted in their use and predominantly derived from local taxes. In FY 21, similar to the previous years, taxes account for approximately 69 percent of General Fund Group revenues. In FY 21, Property Taxes, Sales Tax (including Measure A), Property Tax in Lieu of Vehicle License Fees (VLF) and Utility Users Taxes (UUT), alone account for 63 percent of General Fund Group revenue. Similar to other California cities, Long Beach General Fund Group revenue growth are constrained by the natural rate of year-over-year growth of these tax revenues. Prior to the Covid-19 pandemic, base revenue increase (not including unusual one-time gains or losses) experienced trouble even achieving inflation. In FY 21, the impact of the pandemic is significant and certain key revenue resources are anticipated to perform much lower than prior projections. With continued uncertainty regarding economic and revenue recovery, these projections will continue to be monitored and updated throughout FY

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20, as more data becomes available. The section below outlines additional details on various revenue streams.

- Property Taxes – The largest City revenue source by far in FY 21, total property tax is anticipated to generate \$133.7 million. Although positive growth in assessed valuations is projected to continue into FY 21, the pandemic impact to valuations in the outyears starting in FY 22 is currently unknown. If the predicted reduced value growth driven by sales declines and reduced new construction do materialize, the resulting revenue decrease will be reflected starting in FY 22. These assumptions also extend to Property Tax in Lieu of VLF. As a result of Proposition 13, the City's underlying assessed valuation growth was already constrained to two percent per year until a reassessment occurs due to a change of ownership or construction. Post-pandemic, it is also anticipated that the reduced CPI will result in inflation adjustments of less than the maximum 2 percent.
- Sales Tax – The City's second largest revenue, sales tax revenue (not including Measure A) is projected to generate \$66.7 million in FY 21, reflecting loss due to the impacts of the pandemic. While FY 21 is anticipating a 9 percent decline from pre-pandemic projections, outyears are projecting growth from the FY 20 losses and general recovery to FY 19 revenue levels by FY 22. Despite significant losses across various sales tax categories deeply impacted by the pandemic including restaurants and hotels, some revenue loss is mitigated by increases or continued steady performance in other categories including revenues from the countywide pool and sales from Long Beach buying companies established by the City Council to promote sales tax revenues.
- Measure A – The City's Transactions and Use (sales) Tax, known as Measure A, is projected to generate approximately \$62.7 million in FY 21, which will be deposited in the General Fund Group. This revenue stream has experienced significant declines due to the pandemic and current projections reflect an 8 percent decline from pre-pandemic projections. Similar to Sales Tax, it is projected that FY 21 will continue to experience losses from previous levels but are expected to experience general recovery to FY 19 revenue levels by FY 22.
- Transient Occupancy Tax (TOT) – The FY 21 General Fund Group budget for TOT, which is charged on hotel and motel room stays, is \$13.8 million. Long Beach TOT is an extremely volatile revenue source, heavily dependent on conventions and business meetings, and has been deeply impacted throughout FY 20 by significant reductions in occupancy due to travel and social distancing restrictions in response to the pandemic. The current projection reflects a 38 percent loss from pre-pandemic projections. This projection also includes anticipated revenues from collecting TOT from short-term rentals, which began in FY 19. TOT revenue has historically been incredibly volatile and has demonstrated slow recovery in past downturns and recessions, not returning to previous revenue levels for many years. Similarly, current projections, while anticipating some recovery beginning in FY 21, do not show a recovery back to current pre-pandemic levels for several years. TOT revenue will be closely monitored to determine the full impact of the pandemic. How long it will take for the revenue to recover is dependent on many factors still currently unknown.
- Users Utility Tax (UUT) – This is a five percent tax on usage of water, telephone, electric utilities and is projected to generate \$34.9 million in FY 21. Overall UUT in FY 21 is

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projected to decrease by 3 percent compared to the FY 20 budget. Telephone Users Tax revenues are anticipated to decline by 29 percent in FY 21 as part of the continued erosion in wired revenues due to limited numbers of new subscribers and a highly competitive price environment.

- **Ambulance Fees** – Emergency ambulance fee revenue (excluding First Responder Fees and Ground Emergency Medical Transport reimbursements) has been a relatively stable revenue source, but the growth rate is low or non-existent unless external factors occur such as rate increases to ensure full cost recovery. In FY 21, to align the City's rates to those charged by the County and improve cost recovery for these services, the department proposes to increase ALS and BLS transport rates from \$2,282 and \$1,523 to \$2,540 and \$1,695, respectively. The proposed changes are anticipated to result in an annual revenue increase of \$398,763. However, due to lower transports and reduced reimbursements, the revenue increase will be used to meet the current budget set in FY 20. As such, FY 21 will remain flat from the FY 20 budget at \$13.6 million.
- **Cannabis Related Revenues** –The FY 21 General Fund Group budget initially anticipated approximately \$7.8 million in revenues, which is a growth from what was previously budgeted in FY 20 at \$4 million. With the proposed 1 percent tax increase, estimated revenues for FY 21 is \$8.6 million. Other than the tax increase, the increase is due to higher than expected average sales at licensed cannabis businesses. In FY 20, revenues experienced a notable increase due to higher demand during the pandemic. Following the pandemic, there continues to be uncertainty surrounding the cannabis market, but FY 21 assumes that sales will stabilize at higher levels and a portion of the increased sales experienced in FY 20 will continue into the next year.
- **Oil Revenue** – Due to the pandemic, oil prices in FY 20 dropped to unprecedented levels and, at one point, were negative. The projection for the FY 21 budget assumes the price of oil to be \$35 per barrel, a decrease from \$55 per barrel assumed prior to the pandemic. In the outyears, oil prices are projected to increase to \$40, \$50, and \$55 for FY 22 through FY 24 respectively. Both price and production efforts impact the City's oil revenues, which in turn impacts what net revenues are available for transfer to the General Fund Group. Net oil revenues are also impacted by increased cost, primarily the cost of oil well abandonment and annual increases to oil-related expenditures. Table 5 below shows actual and anticipated annual revenues available for transfer to the General and Tideland Fund Groups based on the estimated barrel prices. In FY 20 and FY 21, due to the significant losses, the net transfers assume no funding that is typically set aside for oil well abandonment and partial set aside in FY 22.

Table 5: Revenues Based on Estimated Oil Barrel Prices

In millions of \$	FY 18 Actual	FY 19 Actual	FY 20 Est.	FY 21 Budget	FY 22 Proj.	FY 23 Proj.	FY 24 Proj.
<b>Barrel Price Estimate</b>	\$ 66.2	\$ 63.2	\$ 35.0	\$ 35.0	\$ 40.0	\$ 50.0	\$ 55.0
Uplands	\$ 11.1	\$ 10.6	\$ 7.5	\$ 4.7	\$ 4.4	\$ 5.0	\$ 5.3
Tidelands	\$ 17.0	\$ 15.4	\$ 12.3	\$ 9.5	\$ 9.3	\$ 15.8	\$ 21.0

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### ***Major General Fund Group Expense Trends***

On the expense side of the equation, pension and other benefit costs, wages, infrastructure, and technology maintenance are the main factors for increases.

- **Pension (CalPERS) Cost Increases** – Pension costs are one of the City's major costs. Pension costs also are trending to have the largest year to year dollar cost increase of any cost and can also be one of the largest expense drivers. The cost increase can vary sharply from year-to-year because of the way the State (CalPERS) determines the City's annual contribution. The cost increases are due to the ongoing efforts by CalPERS to improve the funding of the CalPERS pension plan to eventually reduce and end the City's unfunded pension liabilities. In FY 21, General Fund Group pension costs are anticipated to increase by approximately \$5.5 million from the prior year bringing the total General Fund Group budget for pensions to \$98.5 million (\$166.7 million All Fund Groups). The FY 21 rates include the contributions increase due to the impact of CalPERS decreasing the discount rate (investment earnings assumptions) to 7.00 percent. For FY 21, the City has discontinued pre-payment of the unfunded liability portion of the payment to CalPERS due to cash flow concerns. The FY 23 projection includes the first year of expected adverse impact of the pandemic on the economy and current investment earning. The impact is first seen in FY 23 due to an almost 3-year delay in the investment earnings impact on rates adjustments.
- **Other Benefit and General Liability costs** – Workers Compensation and other employee benefits have also been problem cost factors and, typically have costs exceeding inflation. This is not an issue unique to Long Beach. General liability costs for public settlements, claims and judgements spiked in FY 19 due to large litigation cases paid out in FY 19. General liability excess insurance coverage premiums have steadily increased year-over-year. Health care costs on the other hand, have had a very positive trend. In plan years 2017 to 2020, the City's health plan renewals have consistently been lower than healthcare inflation trend. 2017-2020 industry trend has averaged 6 to 7.8 percent for both PPO and HMO plans. The City's PPO medical plan, which is the largest plan, has had overall plan cost changes ranging from -3.3 to 1.5 percent during this same period. The City's favorable renewal trends are a result of the enriched wellness focused programs added through carrier partners, the City's rate restructure process, and additional savings gained through the annual negotiation process.
- **Measure M litigation Impact** – Measure M, approved by 54 percent of the voters in June 2018, allows the City to continue the historical transfer of Water, Sewer, and Gas fund groups that have supported City services for over 60 years. Litigation on the Measure M transfers brought in 2019 is challenging the constitutionality of the water and sewer transfer. The gas transfer is not impacted by the litigation and will continue. The gas transfer is about one-half the total transfers. On January 2, 2020, the Los Angeles Superior Court (Court) ruled in favor of the plaintiffs and against the City. The City is appealing the decision. Until a final judgment is made, the City has agreed to escrow \$3 million of the transfer in FY 20, \$6 million in FY 21, and all of the transfer beginning in FY 23. This is reflected in the projections. To be conservative, the Outlook assumes the litigation is lost and that the City must issue judgment bonds in FY 24 to repay the Water fund group for historical transfer amounts not escrowed and spent.

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### OTHER FUNDS GROUPS

In addition to the General Fund Group, the City maintains 37 other major fund groups. Many are narrowly focused and restricted to specific business activities. This section discusses select fund groups with key Citywide issues.

#### ***Airport Fund Group***

The Airport Fund Group tracks the financial status of Long Beach Airport and its comprehensive operations. Airport revenues are generated from Airline fees, parking operations, concession sales, long-term ground leases of Airport property, and other Airport business operations. The Federal Aviation Administration (FAA) also provides revenue to the Airport Fund Group through its Airport Improvement Program (AIP). The fund group also includes Passenger Facility Charges (PFC) and Customer Facility Charges (CFC) received from airlines and car rental agencies, respectively.

As a result of the COVID-19 pandemic, passenger activity decreased by more than 90 percent in the second half of FY 20. A recovery in passenger activity is currently expected for FY 21, but passenger activity is projected to remain lower than levels seen in recent years. The Airport estimates total passenger volume to be roughly 2.4 million for FY 21 – a decrease of more than 30 percent from recent, pre-COVID years as airlines fly significantly reduced schedules due to decreased demand. Lower activity directly impacts roughly two-thirds of the Airport's operating revenues, including PFC and CFC revenues. Revenues from aircraft landing, parking operations, concession sales and car rentals are expected to be much lower than seen in recent years until air traffic recovers.

JetBlue recently announced that it is ceasing all service to the Long Beach Airport, effective October 6, 2020. The outlook of the pandemic and its impacts on airlines and the industry is uncertain, which places the Airport at high risk of prolonged reductions in airline service. The Airport's efforts to support airline operations during the pandemic include providing airfield parking to store aircraft, rent deferral, deferred fee increases, and COVID-response measures preserve infrastructure critical to air service. These efforts will not only provide relief to airlines during the crisis but will help position the Airport as a more favorable Airport to be served by Airlines in the future.

As revenues are expected to continue to be significantly lower for FY 21 in light of an uncertain outlook for the travel industry, the Airport is focusing on preserving its liquidity and adjusting to a sustainable operation. The Airport continues to closely monitor its cashflow to ensure critical operations and essential projects are funded. The Airport is also cutting its operating budget by over \$3.4 million and reducing its budgeted capital expenditure by \$3.0 million for FY 21. Non-essential projects and maintenance work have been deferred or cancelled. Projects, in particular the Airport's major ongoing project, the Terminal Area Improvement Project (TAIP), continue to be closely monitored and will be phased as necessary to help ensure the Airport maintains the cash necessary for continuing operations. Airfield improvement projects that are primarily funded by federal grants have not been deferred as the required Airport contribution of matching funds is minimal (typically approximately 10 percent). These projects are critical to maintain the airfield

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infrastructure which is essential to maintaining the Airport's operating certificate from the Federal Aviation Administration.

In FY 20, the Airport was awarded \$18.4 million in CARES Act relief funds for the Airport's operating expenses and debt service payments. These relief funds, combined with the steps the Airport has taken to reduce expenditures, serve to improve the Airport's FY 20 operating results.

The actions taken by the Airport to reduce expenses, closely monitor projects and preserve cash are prudent to maintain financial stability during this crisis and will help ensure a long-term sustainable operation.

### ***Community Development Grants Fund Group***

The Community Development Grants Fund Group is used to account for funds received from the U.S. Departments of Housing and Urban Development (HUD), Labor and Education Departments, and others for economic and community development programs. The fund group also includes county, state and other support for programs including neighborhood improvement efforts that target low and moderate-income areas of the City, homeless services, affordable housing, workforce development strategies, business assistance efforts, and support for youth development.

Each year, the City actively pursues new funding opportunities to support various programs and services. State and federal grants comprise the majority of the revenue in this fund group. The balance of revenue is primarily from residential rehabilitation loan repayments, programmable funds carried over from previous years, and from leveraged co-investment between the Workforce Investment Board (WIB) and other partners. The two major resources in the fund group are HUD's Community Planning and Development formula programs (Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grants) which total \$9.6 million in FY 21, similar to prior year allocations, and Workforce Innovation and Opportunity Act (US DOL) funds, which are comprised of both formulaic allocations from the State as well as discretionary grants dedicated to special populations and/or initiatives. For FY 21, it is anticipated that these funds will increase to approximately \$5.25 million in Formula Funds, and an additional \$1.5 million in discretionary grants to help address COVID-19 related unemployment. Additional grants are likely to be made available by US DOL during FY 21 as part of a broad economic response package, as occurred during the last recession.

### ***Gas Fund Group***

The Gas Fund Group in the City of Long Beach's Energy Resources Department (ER) finances the provision of reliable and cost-competitive natural gas service to customers located in the cities of Long Beach, Signal Hill, and portions of neighboring jurisdictions while ensuring continued gas distribution pipeline infrastructure integrity. Ninety percent of the Gas Fund Group's revenues are received directly from gas ratepayers through metered gas sales. Natural gas commodity prices are primarily affected by national natural gas market fluctuations, the functionality of the SoCalGas intrastate gas pipeline system, and variations in weather conditions. Improved extraction technologies have recently resulted in an abundance of additional natural gas supplies nationwide, causing continued downward pressure on natural gas commodity prices. These price benefits are directly passed through to natural gas customers.

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To ensure the safe operation of the nation's natural gas pipeline system, federal regulators in the Department of Transportation's Pipeline and Hazardous Materials Safety Administration have significantly increased onsite audits and regulatory reporting requirements of natural gas utilities. The City is now required to prepare a Distribution Integrity Management Plan (DIMP) that delineates potential threats to the safe operation of the Long Beach natural gas pipeline system and describes the City's high priority focus on replacing natural gas pipelines installed between the years 1920 and 1950.

Over the past four years, the California Public Utilities Commission (CPUC) has authorized multiple increases to the rates charged by the Southern California Gas Company (SoCalGas) and San Diego Gas & Electric (SDG&E) to their ratepayers. Most recently, on January 1, 2020, the CPUC authorized a rate increase for SoCalGas which resulted in their residential natural gas transmission rates now being 32 percent higher than ER's current residential natural gas transmission rates.

The CPUC authorized the rate increases to provide SoCalGas and SDG&E the necessary revenues to fund replacement of their aging natural gas pipeline infrastructure, to fund pipeline integrity programs as required by federal and state regulations, and to facilitate compliance with federal and state environmental regulations. With similar regulatory, environmental, and operational requirements for its own natural gas pipeline infrastructure, ER's costs are impacted similarly to the other California natural gas utilities.

Through efficient cost management and prudent operational practices, ER has not increased its natural gas transmission rates since October 1, 2016. However due to continually increasing regulatory requirements and their associated costs, ER must now implement an increase to its natural gas transmission rates. The proposed natural gas transmission rate increase will result in an estimated increase to the average residential monthly bill of \$2.35, or an effective 10.4 percent overall increase for approximately 77 percent of ER's residential ratepayers. Even with this increase, Long Beach remains 7 percent below SoCalGas residential rates. Residential ratepayers that consume higher volumes of natural gas than the average residential ratepayer can expect to see higher increases than those shown above. ER will continue to reinvest ratepayer revenues into its natural gas pipeline system to safely maintain operations. The rates, if approved, would go into effect on October 1, 2020.

### ***Health Fund Group***

The Health Fund Group was established to account for funds restricted for public health purposes only. The fund group accounts for revenues and expenditures associated with Federal, State and local grants, health permits, and other fees. With the influx of COVID-19 response grant dollars from various federal and State agencies, the Health Fund Group budget will increase to approximately \$87.9 million, and counting, with 34 percent of the funds used for direct COVID-19 response and recovery and resiliency efforts. Due to the modified budget process and limited timing as impacted by the pandemic, these changes will be reflected in the budget at the time of budget adoption. The remaining budget will be used to support programs focused on retention of existing services which promote health and wellness and provide protection from disease and injury. Since the City's declaration of a local emergency on March 10, 2020, the Health Department has reallocated and infused additional surge staffing of approximately 158 people across the Department to respond to the COVID-19 pandemic both within the Health Department, at the Emergency Operations Center (EOC) and the Joint Information Center (JIC). Health

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Department staff have mobilized to lead and provide support for every facet of the City's emergency response including the Call center Infoline, testing, surveillance and site investigations, managing a 24-bed quarantine and isolation facility, temporary congregate homeless shelters, and a 133 room Project Room Key motel, near daily press briefing and liaising with the State, County and other public health agencies, among many other responsibilities to mitigate the threat of the virus and ensure the health and safety of Long Beach's residents.

The COVID-19 pandemic has adversely impacted and further strained City coffers in the attempt to try and respond to this public health emergency. Fortunately, federal relief by way of the Coronavirus Aid, Relief, and Economic Security (CARES) Act dollars will help ease some of the costs resulting from COVID-19. Federal funds awarded to the City include the Center for Disease Control's funding to enhance detection of COVID-19. The City will receive \$13.3 million of pass through funding from Centers for Disease Control (CDC) to the County to increase the City's capacity to provide testing, surveillance and contact tracing, purchase test kits, and conduct laboratory testing and services.

The Department of Housing and Urban Development (HUD) awarded funds to prevent, prepare for, and respond to the coronavirus among individuals and families experiencing homelessness. In the first round of funding, the City of Long Beach received \$1.8 million and in the second round, the City received \$13.5 million for a total of \$15.3 million. Funding from the first round was primarily used for the operations of the shelters erected for COVID-19 response and prevention, while the second round of funding will be used to respond to COVID-19, including funding the continuation of non-congregate sheltering, outreach, prevention, and rapid rehousing.

In July of 2019, Assembly Bill (AB) 101, was signed into law by Governor Gavin Newsom, authorizing funding for the Homeless Housing, Assistance and Prevention (HHAP) grant. HHAP is a \$650 million block grant program designed to provide direct assistance to cities, counties and Continuums of Care (CoC) in one-time funds to support regional coordination and expand or develop local capacity to address immediate homelessness challenges throughout the State. Total funding for the City of Long Beach was awarded in the amount of \$6.9 million. This funding will be used for on-going operations, but instead will fund infrastructure development related to the City's Navigation Center, prevention, outreach coordination, job programming, safe parking, rental assistance, rapid rehousing, strategic homeless planning, and administrative costs.

Although short term, one-time funding opportunities became available as a result of the pandemic, the pandemic and the redirection of efforts has made it difficult to provide non-COVID related grant funded services and to maximize grant reimbursement for non-COVID related activities. This may put at some risk future funding awards that are based on FY 20 performance. Additionally, the Health Fund Group's permits and fees revenue base is negatively impacted by pandemic related temporary businesses closures due to the Safer-at-Home orders. The reduction in grant and fee revenues will likely result in the need to access the Health Fund Group's fund balance (reserves) to offset lower revenues. Additionally, as a result of lower tax revenue across the County, it is anticipated that the City will see a significant decrease in the allocation of its FY 2020-2021 Measure H grant award to implement Homeless Initiative strategies. While the amount of the decrease is unknown, the Health Department will utilize the newly awarded grants to temporarily cover gaps in service.

While internal stressors such as growing capital and infrastructure needs, rising technology and benefit costs, and increased restrictions placed on grants put pressure on the fund's resilience,



## **EXECUTIVE SUMMARY**

staff continues to work to identify strategies to address these ongoing challenges to ensure services levels are maintained.

### ***Insurance Fund Group***

The Insurance Fund Group is a Proprietary Internal Service fund and accounts for and finances all risk management-related and insurance activities citywide. The City adopted self-insurance programs and obtains excess insurance coverage in the open market. The fund is primarily supported through charges to City departments and funds based on overhead rates and allocation of risk management costs and reimbursements.

The Workers' Compensation program, as required by law, offers health and lost wage benefits to employees at no cost, if an employee is injured or becomes ill on the job. In FY 19, the fund had an operating loss of \$0.5 million and an overall net position of a negative \$112 million indicating a long-term underfunding of these costs. In recent years the annual underfunding has been reduced.

General Liability Insurance claims, settlements and judgment costs have risen in recent years and are expected to increase more in future years. As of the end of FY 19, actual settlements and judgments on liability cases paid out was \$24.8 million. In FY 20, liability cases are expected to be less. In FY 19, the fund had an operating loss of \$27 million and an overall net position of a negative \$42 million. Most of the losses have occurred over the last several years where the City lowered funding levels due to budget constraints while at the same time claims unexpectedly soared.

The status of these funds requires close monitoring. It is anticipated that the final costs will be \$34.1 million for Workers' Compensation and \$24 million for General Liability. Due to the modified budget process and limited timing as impacted by the pandemic, these changes and any updates will be reflected in the budget at the time of budget adoption. This represents 9 percent and 43 percent growth in costs from the previous year, respectively. These increases, particularly for General Liability, are necessary to improve the health of the fund, to regain some of the loss for claims paid out in recent years where insufficient moneys had been collected from departments to offset those claims, and to ensure that sufficient funds are set aside for future claims against the City. Approximately 66 percent and 58 percent of fund revenues for Workers' Compensation and General Liability, respectively, are derived from the General Fund Group.

### ***Police and Fire Public Safety Oil Production Act Fund Group***

On May 1, 2007, the voters approved the Police and Fire Public Safety Oil Production Tax (Proposition H), a special tax of 25 cents, with an annual CPI increase on every barrel of oil produced and restricted to fund police and fire services. Effective June 1, 2020, the tax increased to \$0.33/barrel oil produced. The estimate revenue is projected at \$3.3 million in FY 21, an increase of \$164,000 over FY 20 budget. However, because oil is a diminishing resource (meaning production normally declines year-over-year), Proposition H revenue is therefore expected to decline year over year starting in FY 22. Should projected revenue reductions materialize, expenditure reductions in Police and Fire services are expected in future years to match the revenue declines.

## **EXECUTIVE SUMMARY**

### ***Special Advertising and Promotions Fund Group***

The Special Advertising and Promotion Fund Group (SAP) is a Special Revenue Fund dedicated to the specific purposes of “advertising, promotional and public relations projects calling attention to the City, its natural advantages, resources, enterprises, attractions, climate and facilities” according to the City’s municipal code. Transient Occupancy Tax, also known as the hotel bed tax and collected by Long Beach hotels and short-term rentals is the largest source of revenue for the fund. The current tax rate is 12 percent of the nightly room rent – half of which is paid to the General Fund Group and the other half to the SAP Fund Group. Other sources of revenue include studio filming permits, special events licenses, and permits and fees.

TOT revenue has been dramatically impacted by the pandemic. Severe TOT revenue losses are expected in FY 20 and into FY 21. Even if tourism, filming and special event permitting begin to rebound in FY 21, TOT revenues have historically had a slow recovery after a downturn. As a result, based on current projections, the SAP Fund Group is projecting to rapidly draw down on its funds available and reserves. This fund could have all its reserves depleted by FY 22 or FY 23. To begin to mitigate this rapid drain on funds available, FY 20 one-time projects are being evaluated to see if any projects could be defunded to generate savings. In FY 21, the budget is also proposing about \$860,000 in reductions, and will likely need to plan for further reductions in future years. Even with these solutions, the projection is showing a rapid decline in funds available and the City will need to very closely monitor the situation and maximize any opportunity to generate savings or preserve funding.

### ***Tidelands Area Fund Group***

Tidelands Area Fund Group is comprised of the Marina and Queen Mary funds. Sources of revenue for these funds are generated from various activities, specific to each fund. The Marina Fund revenue is generated through recreational and commercial use of marina property. Fees include dock/slip fees, restaurant, retail and grounds rental leases, concession fees, park use fees, and special events and filming. The Marina Fund revenues are pledged for the repayment of the Marina Revenue Bonds, Series 2015, which financed improvements to the Alamitos Bay Marina and prepaid existing Division of Boating and Waterways loans. The Alamitos Bay Marina was completed in April 2018.

The Queen Mary Fund revenue is generated through rent from the Queen Mary master lease, which includes Queen Mary base rent, sublease rent from Catalina Express and per passenger fee rent from Carnival. In recent years, these rental revenues were sufficient to offset debt service on bonds received and appropriated on-ship capital improvements, including upgrades to educational exhibits and renovations to the Fire-Life Safety systems ship-wide. In FY 20, Carnival Cruise revenues have been impacted by COVID-19 pandemic as they have suspended all operations and as a result, that revenue due in FY 21 is expected to not be enough to pay the full debt service on the Queen Mary 2017B bonds. The amount needed from other Tidelands sources in FY 21 is expected to be less than \$2.4 million. It is currently anticipated this will be a one-year problem, but that situation is being closely monitored.

### ***Tidelands Operating Fund Group***

Tidelands funds are customarily combined under the umbrella of Tidelands Operating Funds. To facilitate understanding and transparency of the status of the funds, the FY 18 Budget separated

## EXECUTIVE SUMMARY

out the Tidelands Operating Fund from the other Tidelands Area Funds (Marina, Queen Mary and the Rainbow Harbor Area funds). In FY 20, the funds have been further refined with parking-related operations, previously in the Rainbow Harbor Fund, being grouped under the Tidelands Operating Fund Group. The Tidelands Operating Fund Group, which primarily funds operations along the beaches and waterways, is heavily dependent on base oil revenue and an annual transfer from the Harbor Revenue Fund to support Tidelands Operations, including lifeguards, waterfront maintenance, the Convention Center, and Aquarium debt payments.

To fund operations, the FY 21 Proposed Budget includes a projected \$18.8 million transfer from the Harbor Revenue Fund and a projected \$9.4 million transfer from the Tidelands Oil Revenue Fund Group, based on \$35 per barrel. Due to low oil prices, the proposed oil transfer has dropped 30 percent from the FY 20 Adopted budget level of \$12.3 million. The fund contributes to the Aquarium, Rainbow Harbor (Queensway Bay), and Pike Parking Garage debt and also receives revenues from profits of, or makes up revenue losses of, the Convention Center. Due to the significant revenue declines in the Tidelands area as a result of the COVID-19 pandemic, revenues anticipated to fund these various debt service obligations will not be realized. As a result, in FY 21, the Tidelands Operating Fund Group is expected to make debt service payments of up to \$2.2 million for Aquarium bonds (Aquarium closed or lower visitation level due to outside exhibits only), a \$600,000 loss in the Tideland's normal share of Convention Center profits and an additional \$5 million to support the net revenue loss for the Convention Center operations (because the Convention Center has been closed). In FY 21, it is also currently expected that the Tidelands Operating Fund Group will pay up to \$2.4 million for the Queen Mary 2017B bonds (due to Carnival Cruise not operating for a good part of 2020 – payments for FY 21 debt service are based on prior year passenger fees) and \$2.5 million or potentially more in support of the Convention Center to offset projected net operating losses from an FY 21 reopening because it is expected to take a good part of FY 21 to be at full convention bookings.

To help support operations in the Tidelands Operating Fund Group, the Proposed FY 21 budget does not include the normal set-aside of \$5.9 million for a reserve to grow the set-aside for future oil well abandonment. This temporary lack of funding for oil well abandonment is projected to be made up in future years and will detract from net revenues at that time.

### ***Uplands Oil Fund Group***

The Uplands Oil Fund Group accounts for oil revenue outside the Tidelands area and accounts for all costs and revenues for the City's proprietary oil interests, including accumulating reserves for the City's portion of oil well abandonment and site clearance liabilities. Revenues are derived from participation in oil operations and oil production overhead fees received by the City as Unit Operator for the Tidelands Oil operations. Presently over half of the revenue in this fund is from overhead fees and less than half is from oil sales. As stated in an earlier section on Oil Revenue, the FY 21 Budget includes a projected price of oil of \$35 per barrel, and \$4.7 million of structural funding (transferred from the Uplands Oil Fund Group to the General Fund Group). To offset the reduced transfer to the General Fund Group in the lower price environment, there is no set-aside assumed to fund oil well abandonment until FY 22 when prices are projected at \$40 per barrel. Oil well abandonment is a necessary obligation of the operation and any funds not set aside in FY 20 and FY 21 will need to be made up in later years.

## **EXECUTIVE SUMMARY**

### **FINANCIAL POLICIES**

The City of Long Beach has 28 Budgetary and Financial Policies that help guide and inform strong financial management in the City. These policies can be found in Attachment T “Fiscal Policies”

# Summary of Budgets by Department All Fund Groups

Fiscal Year 2020 and 2021

(Includes operating, debt service and capital improvement program)

	Adopted FY 20	Proposed* FY 21
<b>DEPARTMENTS</b>		
Mayor and Council	\$ 5,813,629	\$ 5,769,177
City Attorney	11,783,573	11,883,085
City Auditor	3,298,864	3,217,015
City Clerk	3,894,851	5,118,065
City Manager	16,936,968	16,094,062
City Prosecutor	6,104,872	6,030,813
Civil Service	3,094,635	2,989,278
Airport	50,082,631	44,278,868
Development Services	75,990,157	73,862,020
Disaster Prep and Emerg Comm	12,739,724	12,388,439
Economic Development	22,959,791	19,586,357
Energy Resources	233,831,812	230,448,703
Financial Management	73,559,831	72,626,175
Interfund and Non-Operating	513,359,390	500,305,827
Police and Fire Pension Plan	967,749	963,004
Fire	133,109,542	133,049,633
Harbor	674,571,197	647,186,554
Health and Human Services	153,362,063	157,332,435
Human Resources	12,301,295	12,553,673
Library Services	15,255,691	15,143,847
Parks, Recreation and Marine	60,365,321	60,857,103
Police	264,499,242	260,581,342
Public Works	244,812,348	136,548,280
Technology and Innovation	57,066,605	58,461,814
Water	155,005,473	159,299,799
<b>TOTAL ALL FUND GROUPS</b>	<b>\$ 2,804,767,253</b>	<b>\$ 2,646,575,368</b>

\* Due to the shortened timeframe for the budget process due to the COVID-19 pandemic, the numbers presented are estimates and do not yet include interdepartmental charges updates, grant and carryover clean-up and other technical budget items; these figures will be updated for the final budget documents used for budget adoption. In addition, the numbers do not include other uses on the General Fund Group that add to the shortfall but are not currently categorized as budgeted expenditures. Examples include potential employee contract raises that are still being negotiated and impact of Measure M litigation settlement.

# Summary of Budgets by Department General Fund Group

**Fiscal Years 2020 and 2021**

**(Includes operating, debt service and capital improvement program)**

	<b>Adopted FY 20</b>	<b>Proposed* FY 21</b>
<b>DEPARTMENTS</b>		
Mayor and Council	\$ 5,813,629	\$ 5,769,177
City Attorney	3,364,736	3,310,246
City Auditor	2,625,575	2,625,092
City Clerk	3,894,851	5,118,065
City Manager	4,850,462	5,739,579
City Prosecutor	5,988,877	5,913,993
Civil Service	3,015,522	2,912,613
Development Services	4,931,943	4,867,464
Disaster Prep and Emergency Comm	12,739,724	12,388,439
Economic Development	3,675,983	3,483,499
Financial Management	18,788,630	18,086,461
Interfund and Non-Operating	46,214,936	33,778,268
Police and Fire Pension Plan	967,749	963,004
Fire	101,522,932	101,457,455
Health and Human Services	3,402,660	4,840,873
Library Services	14,295,119	14,017,560
Parks, Recreation and Marine	35,186,609	35,866,304
Police	243,820,542	239,727,886
Public Works	40,656,484	42,776,724
<b>TOTAL GENERAL FUND GROUP</b>	<b>\$ 555,756,962</b>	<b>\$ 543,642,704</b>

\* Due to the shortened timeframe for the budget process due to the COVID-19 pandemic, the numbers presented are estimates and do not yet include interdepartmental charges updates, grant and carryover clean-up and other technical budget items; these figures will be updated for the final budget documents used for budget adoption. In addition the numbers do not include other uses on the General Fund Group that add to the shortfall but are not currently categorized as budgeted expenditures. Examples include potential employee contract raises that are still being negotiated and impact of Measure M litigation settlement.

## Summary of Full-Time Equivalents (FTEs) by Department (All Fund Groups)

Fiscal Years 2020 to 2021

	FY 20 Adopted	FY 21 Proposed
<b>DEPARTMENT</b>		
Mayor and Council	52.12	52.39
City Attorney	72.00	70.00
City Auditor	22.00	18.00
City Clerk	16.26	15.26
City Manager	50.99	48.81
City Prosecutor	38.38	38.38
Civil Service	18.70	18.00
Airport	115.04	118.04
Development Services	214.78	210.78
Disaster Preparedness & Emergency Comm	89.30	87.30
Economic Development	87.96	87.96
Energy Resources	236.39	240.39
Financial Management	255.29	242.03
Fire	533.86	527.70
Harbor	593.50	595.60
Health and Human Services	427.78	439.78
Human Resources	46.00	45.50
Library Services	128.22	130.42
Parks, Recreation and Marine	445.16	427.46
Police	1,251.91	1,187.38
Public Works	509.70	537.43
Technology & Innovation	173.00	178.88
Water	270.39	263.62
<b>TOTAL FTEs</b>	<b>5,648.73</b>	<b>5,581.11</b>

## Summary of Full-Time Equivalents (FTEs) by Department (General Fund Group)

Fiscal Years 2020 to 2021

	FY 20 Adopted	FY 21 Proposed
<b>DEPARTMENT</b>		
Mayor and Council	52.12	52.39
City Attorney	24.26	22.26
City Auditor	16.68	14.68
City Clerk	16.26	15.26
City Manager	29.86	30.96
City Prosecutor	37.80	37.80
Civil Service	18.54	17.84
Development Services	31.95	27.95
Disaster Preparedness & Emergency Comm	89.30	87.30
Economic Development	11.75	11.75
Financial Management	117.60	106.64
Fire	476.58	473.50
Health and Human Services	16.10	15.10
Library Services	109.80	110.00
Parks, Recreation and Marine	271.34	259.87
Police	1,192.66	1,128.13
Public Works	244.63	273.56
<b>TOTAL FTEs</b>	<b>2,757.23</b>	<b>2,684.99</b>



# Summary of FY 20 to FY 21 Full-Time Equivalent (FTE) Changes By Department

Fiscal Years 2020 to 2021

## ALL FUND GROUPS

DEPARTMENT	FY 20 Adopted	FY 20 Changes Reflected In FY 21 Base *	FY 21 Proposed Changes	FY 21 Proposed
Mayor and Council	52.12	0.27	-	52.39
City Attorney	72.00	-	(2.00)	70.00
City Auditor	22.00	-	(4.00)	18.00
City Clerk	16.26	-	(1.00)	15.26
City Manager	50.99	0.00	(2.18)	48.81
City Prosecutor	38.38	-	-	38.38
Civil Service	18.70	-	(0.70)	18.00
Airport	115.04	2.00	1.00	118.04
Development Services	214.78	-	(4.00)	210.78
Disaster Preparedness & Emergency Comm	89.30	-	(2.00)	87.30
Economic Development	87.96	-	-	87.96
Energy Resources	236.39	2.00	2.00	240.39
Financial Management	255.29	0.75	(14.01)	242.03
Fire	533.86	-	(6.16)	527.70
Harbor	593.50	-	2.10	595.60
Health and Human Services	427.78	7.00	5.00	439.78
Human Resources	46.00	-	(0.50)	45.50
Library Services	128.22	1.50	0.70	130.42
Parks, Recreation and Marine	445.16	-	(17.70)	427.46
Police	1,251.91	-	(64.53)	1,187.38
Public Works	509.70	-	27.73	537.43
Technology & Innovation	173.00	1.00	4.88	178.88
Water	270.39	(4.54)	(2.23)	263.62
<b>TOTAL FTEs</b>	<b>5,648.73</b>	<b>9.98</b>	<b>(77.60)</b>	<b>5,581.11</b>
<b>CITYWIDE GENERAL FUND</b>	<b>2,757.23</b>	<b>0.42</b>	<b>(72.66)</b>	<b>2,684.99</b>

\* Changes made during the FY 20 fiscal year.

## Summary of Expenditures By Fund Group

Fund Group**	Proposed* FY 21
Airport	\$ 45,006,926
Belmont Shore Parking Meter	783,243
Business Assistance	728,323
Capital Projects	18,246,466
Civic Center	21,807,741
Community Development Grants	18,834,384
CUPA	2,328,712
Debt Service	8,159,695
Development Services	26,779,295
Employee Benefits	327,442,075
Fleet Services	45,134,873
Gas	141,239,545
Gasoline Tax Street Improvement	10,139,365
General Fund	543,642,704
General Grants	8,016,482
General Services	60,861,109
Harbor	650,079,277
Health	58,646,052
Housing Authority	93,964,457
Housing Development	3,595,489
Insurance	48,947,146
Police & Fire Public Safety Oil Act	3,318,387
Refuse/Recycling	52,692,087
Reserve for Subsidence	-
SERRF	42,928,625
SERRF - JPA	-
Sewer	24,351,683
Special Advertising & Promotion	10,909,568
Successor Agency - Debt Service	26,369,058
Successor Agency Operations	4,191,032
Tidelands Area	25,370,842
Tidelands Oil Revenue	82,908,124
Tidelands Operating	88,211,792
Towing	6,741,928
Uplands Oil	8,004,016
Water	136,194,867
<b>TOTAL ALL FUND GROUPS</b>	<b>\$ 2,646,575,368</b>

\* Due to the shortened timeframe for the budget process due to the COVID-19 pandemic, the numbers presented are estimates and do not yet include interdepartmental charges updates, grant and carryover clean-up and other technical budget items; these figures will be updated for the final budget documents used for budget adoption.

\*\*Gas Prepay Fund Group is not reported because Fund Group applies to Revenue only.

## Summary of Revenue By Fund Group

Fund Group	Proposed* FY 21
Airport	\$ 47,228,407
Belmont Shore Parking Meter	783,243
Business Assistance	728,199
Capital Projects	40,360,917
Civic Center	22,076,894
Community Development Grants	17,419,627
CUPA	1,865,221
Debt Service	6,900,861
Development Services	24,763,271
Employee Benefits	328,470,018
Fleet Services	45,514,112
Gas	146,608,226
Gas Prepay	-
Gasoline Tax Street Improvement	12,406,345
General Fund	561,996,775
General Grants	7,803,829
General Services	56,153,750
Harbor	434,522,425
Health	58,157,614
Housing Authority	92,215,718
Housing Development	3,436,465
Insurance	49,527,973
Police & Fire Public Safety Oil Act	3,318,387
Refuse/Recycling	49,984,236
Reserve For Subsidence	1,480,000
SERRF	35,950,000
SERRF - JPA	-
Sewer	18,631,083
Special Advertising & Promotion	8,071,102
Successor Agency - Debt Service	30,162,041
Successor Agency Operations	4,219,567
Tidelands Area	27,280,625
Tidelands Oil Revenue	89,209,421
Tidelands Operating	85,504,285
Towing	6,414,000
Uplands Oil	12,239,561
Water	136,253,165
<b>TOTAL ALL FUND GROUPS</b>	<b>\$ 2,467,657,364</b>

\* Due to the shortened timeframe for the budget process due to the COVID-19 pandemic, the numbers presented are estimates and do not yet include interdepartmental charges updates, grant and carryover clean-up and other technical budget items; these figures will be updated for the final budget documents used for budget adoption.

## General Fund Revenue

<b>TOP 40 GENERAL FUND REVENUES</b>	<b>Adopted FY 20</b>	<b>Proposed FY 21*</b>
1 REAL PROPERTY TAX	\$125,442,102	\$133,679,752
2 CITY SALES AND USE TAX	64,676,195	66,739,189
3 TRANSACTION AND USE SALES TAX-MEASURE A	59,724,959	62,688,149
4 PROPERTY TAX IN-LIEU OF VLF	53,041,402	56,163,462
5 ELECTRIC USERS TAX & PENALTIES	20,566,947	20,566,947
6 TRANSFERS FROM OTHER FUNDS	23,382,496	20,562,528
7 PARKING CITATIONS	19,287,802	17,978,399
8 EMERGENCY AMBULANCE FEES	14,743,931	16,901,931
9 CHARGES FOR SPECIAL SERVICES	13,735,521	14,431,947
10 TRANSIENT OCCUPANCY TAX	22,989,165	13,846,633
11 BUSINESS LICENSE TAXES	12,457,000	12,732,000
12 OTHER DEPT SVCS TO PROPRIETARY FUNDS	9,446,165	9,115,752
13 MARIJUANA COLLECTV APPLICATION FEE	4,000,000	8,655,050
14 ELECTRIC COMPANY FRANCHISES	7,310,161	7,062,088
15 PIPELINE FEE-WATER	6,426,100	6,618,883
16 LAND,BLDG,R/W,EASEMENT,APT RENTALS	5,093,021	5,263,783
17 TELEPHONE USERS TAX & PENALTIES	7,185,728	5,090,406
18 PIPELINE FEE-SEWER	4,926,597	5,074,395
19 GAS USERS TAX & PENALTIES	3,961,177	4,899,347
20 AMERICAN GOLF LEASE	4,755,119	4,800,000
21 WATER USERS TAX & PENALTIES	4,273,226	4,423,179
22 INTEREST-POOLED CASH	3,543,950	3,690,000
23 BILLING AND COLLECTION	3,360,790	3,360,790
24 PIPELINE SAFETY FEES	3,001,760	3,144,554
25 HAULER FEES	3,000,000	3,000,000
26 MISC REFUNDS & REIMB	2,943,065	2,937,780
27 ASSET MANAGEMENT CHARGES	2,429,660	2,429,660
28 REAL PROPERTY TRANSFER TAX	2,303,228	2,292,084
29 PIPELINE FRANCHISES	2,548,376	2,178,810
30 HARBOR-POLICE	2,544,783	2,104,656
31 MISC REVENUE FROM OTHER AGENCIES	2,289,046	1,911,918
32 OTHER DEPT CHGS TO GOVT'L FUNDS	1,830,983	1,830,983
33 FIRE INSPECTION FEES	1,124,000	1,781,767
34 POLICE CHARGES FOR SPECIAL EVENTS	1,750,000	1,750,000
35 FIRST RESPONDER FEE	2,271,618	1,689,276
36 OIL PRODUCTION TAX	1,488,093	1,508,358
37 METERED/OTHER PARKING	1,600,000	1,500,000
38 CURB & WALK PERMITS	1,018,716	1,396,414
39 OTHER GOVT FUND-PUBLIC SERVICE	1,670,664	1,380,000
40 PARKING REVENUES FROM OPERATIONS	1,427,000	1,345,000
 SUBTOTAL TOP 40 GENERAL FUND REVENUES	 529,570,547	 538,525,869
 SUBTOTAL ALL OTHER REVENUES	 22,065,621	 20,917,603
 SUBTOTAL CITY MANAGER PROPOSED CHANGES*	 -	 2,553,304
 <b>TOTAL</b>	 <b>\$551,636,168</b>	 <b>\$561,996,775</b>

\*Individual revenue line items reported in the Top 40 above exclude certain City Manager proposed revenue adjustments. Due to the modified budget process and timeline this year, these adjustments are reported as a total amount, and will be budgeted at the line item detail for the final budget documents. Adjustments are not anticipated to result in significant changes to the reported rank order.

## **BUDGETARY AND FINANCIAL POLICIES CITY OF LONG BEACH, CALIFORNIA**

### **1. The Budget will be Structurally Balanced**

Background – A budget is structurally balanced if it does not spend more on ongoing services than it receives in ongoing revenues. A structurally balanced budget is a necessary component of good financial management and financial discipline and will help sustain the consistent delivery of services to residents. An unbalanced budget (spending more than is received) undermines the City's ability to deal with financial problems. It may lead to reduced services in the future and inhibit the City's ability to take advantage of opportunities that will periodically occur.

Policy - The budget for the General Fund will be structurally balanced for the fiscal year. A structurally unbalanced budget will include an explanation and describe the expected approach and time frame for achieving structural balance within the context of official revenue and expenditure projections. It is not a violation of this policy to have a planned use of funds available to fund one-time items, including capital, equipment, land or transitional costs for operations (starting up or termination of a service element). It is also not a violation of this policy to use funds previously set aside to mitigate temporarily higher costs or lower revenues.

### **2. Multi-Year Financial Projections will be Incorporated into the Budget Process**

Background – The City's financial situation and projected future status are important factors in the financial and economic decisions the City Council may make. To support the City's budgetary planning and financial decision-making process, the City needs to analyze its financial situation and the key factors impacting its economic and financial status.

Policy - At a minimum, the proposed annual budget should include a three-year General Fund projection (the fiscal year plus two additional years). Major assumptions should be identified. It is desirable that the budget should include similar projections of key funds and potentially all funds.

### **3. The Budget Process Is Based on an Annual Cycle with Minimal Mid-Cycle Adjustments**

Background - The service plan for the City is based on an annual budget as required by Charter and by good financial and operational practice. Budgeting on an annual basis provides time to review all revenue sources, develop solutions to previously

identified problems, and to discuss and decide on policies and priorities. An annual budget process also provides time for management to plan and implement changes incorporated into the budget more efficiently and effectively. Shortening or interrupting the process with significant mid-cycle changes can lead to poor decision-making due to incomplete information and to inefficient and ineffective operations or expenditures.

#### Policy

- a. The annual budget process will be the general method used by the City to develop its annual service priorities and the level and type of resources to fund those services.
- b. Changes to the budget and to service levels during the fiscal year will be minimized. "Routine" changes during the fiscal year will generally be limited to technical adjustments, time sensitive opportunities or issues, or new grants or awards that are intended to be spent during the year.
- c. The creation of non-routine mid-year new programs or projects, higher service levels, or other expenditures during mid-budget cycle is discouraged and, if proposed, before adoption is considered, should be evaluated for programmatic feasibility and impact and for fiscal impact, preferably by the responsible operational department and by Financial Management. If an adopted mid-year program or project is in conflict in terms of resource use or other aspects, the mid-year program or project will have a lower priority (compared to preexisting budgeted programs and projects) unless otherwise specified by City Council.
- d. Unexpected revenue shortfalls or other significant issues that may create a budget shortfall during the fiscal year are to be reported to the City Council with recommendations by the City Manager as to whether a mid-year budget adjustment should be made.
- e. A list of City Council adopted new programs or expenditures not included in the original budget or that do not qualify as routine mid-year items (as defined above) shall be provided to the Budget Oversight Committee annually for review.

#### **4. User Fees and Charges will be Set at the Cost of the Service**

Background - Fees and associated charges are associated with recovering the cost of providing a service. The City can charge up to the full cost of providing a service.

#### Policy

- a. Fees will be set to fully recover costs, except where there is a greater public benefit through use of a lower fee, such as where full recovery may adversely impact overall revenue or may discourage participation in programs where the participation benefits the overall community.

- b. The City Manager will establish a process in-depth review of all fees over time. The review, while eventually covering all fees, should emphasize those that have or may have significant subvention (may not be at full cost).

## **5. One-Time Resources will be Used Only for One-Time Purposes**

Background – One-time resources are revenues that only occur once, for a very limited time, or are too unpredictable or unstable to fund operations. One-time revenues may include the variable portion of some revenue sources that have highly variable components. One-time revenues are not suited to fund ongoing operations because they are not available in the future or cannot be relied on from year-to-year to pay the ongoing costs of operations.

### Policy

- a. One-time resources will not be used to fund ongoing operations. They will be used for one-time uses, including capital and other one-time expenditures, transitional funding of operations (for a limited time-period with a planned ending date), increasing reserves, or paying down unfunded liabilities.
- b. Five percent of new General Fund funds available in a year will be automatically set-aside to fund unfunded liabilities and these funds may be used to reduce unfunded liabilities.

## **6. Capital Projects will be Budgeted and Funded for Both Capital and Operating Costs**

Background – Expenditures for capital and infrastructure often have an impact on operating costs. Capital investments and infrastructure eventually have to be replaced. New capital projects typically increase costs while repairs may lower costs. For capital expenditure decisions, both the one-time capital costs, the ongoing net operating costs, and replacement costs (lifecycle) should be considered. When capital and infrastructure funding decisions are made, it is important to provide information to the City Council about future operating costs and potential replacement costs and funding of replacement.

### Policy

- a. Before approving any capital expenditure, including those proposed by any elected official, the City Council shall consider both the capital (one-time) and operating (ongoing) components of costs, including the full capital cost of the project, regardless of funding sources, and all City incurred site, design, overhead costs and start-up costs. Replacement costs and potential method of funding shall

also be considered. Site costs for land already owned by the City do not need to be reported. Projected operating costs through any stabilization period, as well as projected future operating and maintenance costs, are to be identified. If the project has a limited economic life, the fiscal impact information should discuss proposed end of life actions and costs. The method for funding the projected operating costs is to be included in any funding description. Projects and costs that do not significantly impact the City do not need to be analyzed.

When fees are initially proposed for items charged to external parties but installed and maintained by the City, the City Council shall have information to allow the Council to consider incorporation of capital costs, maintenance costs and replacement cycle costs in the fees or upfront costs. Costs that are not significant do not need to be analyzed.

## 7. Fund Balance Policy

Background – Generally Accepted Accounting Principles (GAAP) require a policy with regard to the establishment and maintenance of fund balances. GAAP does not make any requirements as to the level of those balances; just that there is a policy so that they can be clearly and consistently accounted for.

Policy - This policy provides for the establishment and maintenance of fund balances; helps maintain the financial strength, stability, and bond rating of the City; positions the City to be better able to financially respond to emergencies, unexpected needs; provides a method of accumulating funds for one-time needs; and meet the requirements of Generally Accepted Accounting Principles (GAAP). This policy applies to all governmental funds of the City.

a) Types of Fund Balance: The City maintains five components of fund balance.

1. *Non-spendable* - Fund balance that is inherently non-spendable.
2. *Restricted* - Fund balance that has externally enforceable (legal) limitations on its use and can only be spent for a specific purpose stipulated by an external provider, a constitutional provision, or through enabling legislation.
3. *Committed* - Fund balance that the City has placed limitations on its use by way of a motion of the City Council.
4. *Assigned* - Fund balance that is comprised of amounts intended to be used by the government for specific purposes. The intent can be informally expressed by the governing body or can be stated by the City Manager.
5. *Unassigned* - This is the residual fund balance that is spendable and not restricted, committed or assigned.



b) Assigned Fund Balances

1. *Emergency Reserve* – This reserve is used only in extremely rare circumstances resulting from major emergencies that are not recurring by nature and, in general, are not predictable. Such an event will have resulted in significant physical damage or disruption within the City and its Tidelands areas. Examples of a major emergency that would require extensive additional City operational or capital costs include an earthquake, severe storms, flooding; a terrorist event, and a protracted major health or military crisis. It is not intended for use to smooth economic cycles or changes in revenue or expenditure patterns. Use of this reserve for intended purpose is consistent with this policy. Any draws on this reserve should be the highest priority for reserve replenishment.
  2. *Operating Reserve* – This reserve is used to provide funds for unexpected one-time opportunities or temporary operating needs. It is also intended to provide transition, phase-in or phase-out funding. This reserve is not intended to be used to fund planned infrastructure or capital acquisitions. It can be used in an emergency situation to supplement the emergency reserve. Temporary drawdown of the reserve, or any drawdown below the minimum, should be the second highest priority for reserve replenishment.
  3. *Reserve for Subsequent Years Appropriations* – This reserve is used to identify fund balance amounts that are appropriated or identified through the budget process as a funding source for a future year.
  4. *Infrastructure Reserve* – This reserve is used to accumulate and provide funds to finance capital projects and other capital improvements, to finance the acquisition and implementation of information technology systems that enhance service delivery, create operating efficiencies or improve City operations, or to retire capital-related debt in advance of scheduled debt service payments. It is not intended to serve the purpose of an operating reserve. It can be used in an emergency to supplement the emergency reserve.
- c) Other Reserves and Designation for Purpose – Additional committed or assigned reserves may be created by the City Council, either explicitly (committed) or through the budget or other process (assigned). Assignments may be designated for a purpose by the City Council or, if delegated, the Council's designee.
- d) Use of Governmental Fund Balances – Use of fund balances, for purposes as defined in this policy, are not a violation of this policy. When an expense is incurred, the normal order of resource use, subject to the reserves specified purposes, when applicable, will first be the use of restricted fund balance resources, followed by committed fund balance resources, assigned fund balance resources, and, finally, unassigned fund balance resources.

## **8. Adequate General Fund Emergency and Operating Reserves will be Maintained**

Background – Maintaining adequate emergency and operating reserves is a basic component of a financially strong City. Adequate reserves help sustain City operations when adverse or unexpected circumstances impact the City.

### Policy

- a. The City will maintain a General Fund Emergency Reserve at a minimum of 8 percent of General Fund ongoing operating expenditures (including transfers) and a target level of 10 percent.
- b. The City will maintain a General Fund Operating Reserve at a minimum of 2 percent of General Fund ongoing operating expenditures with a normal maximum of 7 percent.
- c. The reserve created by Measure B Budget Stabilization Fund (2016) shall be maintained and accounted for as provided for in Measure B and GAAP and shall be included in the overall calculation of the Operating Reserve levels.
- d. The City will seek to achieve and maintain overall General Fund reserves (including all committed, assigned and unassigned reserves and excludes restricted and unspendable reserves) at no less than two months (or 16.7 percent) of General Fund ongoing operating expenditures, including transfers.
- e. If emergency or operating reserves are drawn down below the minimums, a plan will be developed and implemented to replenish them, generally from future surpluses. Replenishing reserves will be a priority use of one-time resources.
- f. The City may establish and maintain special purpose operating reserves (in addition to the operating reserve described above). Special purpose operating reserves are intended to be used for specific revenue and expense variations and will generally be formulaic and automatic in nature in terms of when the reserves will be added and when they will be used.
- g. The City may establish and maintain other reserves.

## **9. Adequate Reserves will be Established for all City Funds**

Background – Financial reserves strengthen the City's financial status and provide valuable flexibility for unexpected events for City funds. Every fund of the City represents a stand-alone financial operation and has its own operating characteristics, financial capabilities, and constraints. The level of reserves needed, if any, should be based on the financial and operating characteristics of each fund.

Policy – The Financial Management Department, in concert with any relevant operating departments, shall develop and present to City Council recommended

reserve policies for each City fund, which will be adopted, as modified, by the City Council.

#### **10. Revenues will be Projected Using a Methodology that is Reasonably Conservative**

Background - Revenue projections are critical to budget decisions, particularly a budget that is intended to be structurally balanced. Unfortunately, many of the City's key revenues are subject to material variation depending on the economy. No revenue projection is likely to be "accurate" when the economy is changing direction or moving quickly. As a result, it is important to have a consistent approach to projecting revenues and for decision-makers to understand the basis used to project the resources available for the budget. Revenue should be projected in a way not likely to lead to a revenue shortfall and not be so conservative that the projection is always substantially under revenues.

Policy - Revenue projections are to be objectively prepared using a conservative approach. That approach should result in overall budgeted revenues for a fund being set at a level such that it is reasonably unlikely that actual revenues will be lower than budgeted.

#### **11. Stable Revenue Sources will be Used to Fund Operations, to the Extent Practical**

Background - Operations require stable revenue sources from year-to-year to minimize the necessity to cut services when key revenues vary in the wrong direction. Revenue sources that have significant variability from year to year, or an unpredictable basis, are not completely suitable to fund operations and often cannot be projected with reasonable accuracy. Two approaches to addressing such a situation are to 1) designate the entire revenue sources as one-time or 2) divide it into stable (operations) and unstable (one-time) components.

Policy - The City will take steps to utilize only the stable portion of revenue sources for ongoing operations.

- a. Any revenue that has a highly variable component and is used to fund ongoing operations may have only a portion of it, or none of it, budgeted for operations. The remainder (unstable portion) may be budgeted in the year of expected receipt or in the following year for capital or other one-time purposes, including increasing reserves. If budgeted in the year of receipt, it should not normally be budgeted for expenditures that require commitments in advance of receipt. This policy helps stabilize operating revenues and can provide a fairly regular source of funds for one-time purposes. Consideration of such a practice for individual revenue

sources will be based on a recommendation from the City Manager and subsequent approval by City Council.

- b. Oil revenue has a tendency to vary unpredictably within a year or from year-to-year. As a result, oil revenue will be budgeted at a per barrel price that reflects a price that is highly likely to be lower than the average price of oil during the year, based on historical variability. Oil revenue actually received as a result of the actual price of oil being above that budgeted price may be budgeted the following year.

## **12. Fiscal Impact Statements will be Included with all City Council Letters Which Involve Decisions for Spending, Revenues, Debt, Investments, or Other Potential Economic Impact**

Background – The City Council should receive information on the actual or potential fiscal and resource impact of proposed actions to aid in making decisions.

Policy – For any proposed City Council action, including those from non-city Manager departments or elected officials, an analysis is to be provided (a fiscal impact statement) of the projected or potential fiscal impact on current and future revenues, on expenditures and resources, including staff resources (hours, opportunity costs, and diversion of resources impact, as appropriate), on existing City Council priorities, and the projected or potential impact on the City's financial or economic position. A discussion of any overall economic impacts to the City, if relevant, will also be included. Where analysis has determined that the impact is not significant, a detailed explanation is not required. Any proposed City Council action should include a statement indicating the proposed action was reviewed by Financial Management. If the time urgency of the item does not allow for any Financial Management review or allows for only a partial review, the fiscal impact statement should explicitly indicate that. For any proposed City Council action resulting in a disbursement of funds, the funding source must be identified, as well as whether the expenditure has been budgeted.

## **13. The Budget Will Fund Costs Incurred in the Current Year or will Identify the Costs that Have Not Been Fully Funded**

Background – Governments sometimes have financial issues because they do not budget for or fund costs that are incurred in a budget year, but not paid out until a future year. This practice can lead to higher costs to taxpayers in the future if they have to pay for services provided in the past. Typically, these costs are for employee benefits, but may also be associated with other costs. Funding current year costs is not the same as funding unfunded liabilities. Paying current costs does not have any

impact on existing unfunded liabilities, but it does have an impact on keeping unfunded liabilities from occurring or growing in dollar amount. Current costs, whether paid in the current year or not, are a component of structural balance.

Policy

- a. The budget will include funding for the costs for services for the current year. If funding a particular service or type of cost is determined to not be appropriate for a given year, the budget will disclose that and include a discussion of those costs that were not fully funded.
- b. Unfunded liabilities, unfunded lifecycle replacement costs, and deferred maintenance costs shall be explicitly identified in the budget and the budget shall include a discussion of them, including general information on the funding of those costs.

#### **14. Accounting and Financial Reporting will Meet Generally Accepted Standards**

Background - To be able to borrow money for City infrastructure and capital needs, the City must maintain financial statements in conformance with Generally Accepted Accounting Principles (GAAP). This is also necessary to have a financial presentation that a knowledgeable reader can understand. Governmental budget decisions, however, are not necessarily best made based on GAAP financial reporting. As an example, GAAP accounting for enterprises and internal service operations focuses on the longer term and not the short-term situation in which many governmental budgeting decisions are made. For this and other reasons, governmental budgetary reporting usually uses a non-GAAP basis. However, it is very important to know how budget reporting differs from GAAP and to know that the budgetary reporting of financial status is traceable to audited GAAP financial statements.

Policy

- a. The City will prepare an annual financial report (CAFR) in accordance with GAAP and will include a written description of the basis of accounting in the CAFR.
- b. The City will prepare the annual budget using as consistent an approach as appropriate and will include a written description of the basis of budgeting in the budget, as well as the CAFR.
- c. For every budgeted fund, the CAFR will include a reconciliation of the budgetary funds available (a fund's bottom line from a budget perspective) to the GAAP fund balance or net position.

## 15. Financial Status and Financial Issues will be Reported

Background - Routine financial reporting is an essential component of financial control and management.

Policy - The City's comprehensive annual financial report (CAFR) will be made available to the City Council, the public, bond holders, and rating agencies after completion of the annual audit. In addition, there will be periodic reporting on the budgetary status of the City, particularly the General Fund and other funds that have unusual or problematic status. Any major or critical issue will be reported as soon as it is practical.

## 16. Financial Status of Major City Funds will be Periodically Reviewed

Background – A periodic high-level financial review of all major City funds is important to the understanding of the City's financial status and to any decision-making that impacts the City's short or long-term financial status.

Policy – The City Manager will annually present to the City Council a brief report discussing the high-level financial status of each major fund of the City and its future outlook, risks and opportunities. The report may be provided by including it in the proposed budget as a component of each funds' *Fund Summary*.

## 17. Grants will be Actively Sought, but Only as Appropriate and with Suitable Oversight to Ensure Compliance

Background - Grants are an essential component of City resources. All grants have rules and regulations that must be followed, including the purpose for which the grant funds may be used. Failure to follow the rules and regulations may require a return of the funds, even after they have been spent. Grants often require a match. A grant may be inappropriate for the City due to a large match requirement, disallowed or limited ability to recover administrative costs, excessive restrictions on expenditures, compliance risk (return of funds if in non-compliance), issues with post-grant funding, or incompatibility with other City priorities.

Policy - The City will seek grants that address City priorities and are believed to provide a benefit to the City that provide a substantial net benefit after considering the cost to secure and administer the grant, and the risk associated with unintentional non-compliance. The City will not seek grants if the purpose does not provide a significant net benefit to the City for existing priorities. Before applying for any grant, staff shall ensure the above conditions have been met. The City shall maintain the

necessary administrative support and training to ensure compliance with grant terms and requirements. When the City Council considers approval of a grant, City Council should be provided with staff's expectations for any continued funding and continuing or discontinuing of programs after the grant period. If it subsequently becomes clear that a City Council approved grant funded program will need to be continued or discontinued differently from previously reported expectations, that change should be reported to the City Council during the budget process for the year in which the proposed change is to occur.

## **18. Debt and Capital Leases will be Maintained at Appropriate Levels**

Background - Debt (borrowing) is a valuable and necessary tool for financing major infrastructure and other capital assets. However, misuse of debt or poor debt management, including excessive debt and poor choices for the structure of debt, can contribute to financial weakness and compromise the City's ability to deliver services over the long-term.

Policy – Limits on the amount of debt shall be recommended by the Financial Management Department and adopted, as modified, by the City Council. The term of debt will generally not exceed the life of the asset being acquired. Capital leases for vehicle replacement or other recurring costs should be part of a comprehensive strategy that provides for ongoing replacement of the equipment and should not be done to provide a short-term budget solution to replace cash purchases with debt. Debt will not be used to fund operations. Incurring short-term debt (less than one year) to provide for cash flow in anticipation of revenues is not a violation of this policy. A separate policy on debt and debt policy will be adopted by the City Council.

## **19. Investments will be Conservatively Managed**

Background – Investments can provide a significant source of revenue to the City. However, investments have risk. An investment policy needs to describe the balance between investment income and risk that is desired.

Policy – Investments shall be managed with the following priorities, in order: safety of principal, liquidity (availability of cash) and yield (investment income). A separate policy on investments and investment management will be adopted by the City Council.



## **20. A Long-Term General Financial Plan will be Maintained**

Background - The long-term financial health of the City and the ability to provide services and a quality of life for the City's residents depends on the actions City officials take. To help guide the decisions of City officials where the decisions impact the long-term finances of the City, a plan that identifies adopted general strategies for the long-term financial strength of the City is helpful, if not essential, to the long-term financial success of the City. The general financial plan would be specific enough to determine whether or not a particular proposal is consistent with the plan.

Policy - The City Manager will prepare and periodically update a proposed high-level financial plan for the City. The plan will outline general approaches the City should follow over the long-term to maintain and increase the ability of the City to provide services through maintaining and increasing revenues, growing the City's economy for the purpose of revenue generation, and controlling and managing the cost of services and the method of delivery of services. This plan will identify and discuss unfunded liabilities and other deferred costs such as maintenance. A plan or options will be identified to address them. This plan is not intended as a general statement of overall City strategies and goals, but rather a focused approach to long-term finances and to enhancing the economic strength of the City to generate more revenues and resources for services. The plan may be integrated into an overall set of goals and strategies for the City. The City Council will modify the plan as it desires and adopt it as a general guideline for future financial and economic direction. The plan is to be reviewed and updated no less frequently than every five years.

## **21. Financial Policies will be Periodically Reviewed**

Background - Financial policies need to be periodically reviewed to ensure that they do not become out-of-date and also to help reinforce compliance with the policies.

### Policy

- a. Financial policies will be reviewed by the City Council every three years or more frequently, if appropriate.
- b. The City Manager will report to City Council when any proposed City Council action may not comply with City Council financial policies (preferably through the Fiscal Impact Statement) and will also report annually on general compliance or non-compliance with each of the policies, recognizing that some policies may take time to fully implement. This annual report will list the financial policies in their entirety.



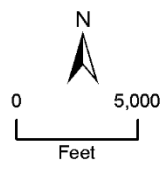
## **22. Procedures and Practices are to be Consistent with Financial Policy**

Background – Financial policies are high level expressions of direction. Implementation of policies requires detailed procedures and practices.

Policy – Policy implementation procedures and practices designed and implemented by the City Manager and any associated administrative procedures and practices shall be consistent with the adopted City Council policies.



## Capital Program Overview



# **FY 21 Capital Improvement Program (CIP)**

## **BACKGROUND**

Though our community and organization are challenged by the impacts of COVID-19, the City's work to plan for the future and maintain public infrastructure continues. The Capital Improvement Program (CIP) continues to provide a comprehensive program to the City Council and the residents of Long Beach to plan, design, construct, maintain, and repair City facilities and infrastructure over the next fiscal year. The size, age and diverse infrastructure of the City requires significant consideration to determine the best investments to make now, to realize the most cost-effective returns in the future. The CIP also serves as a financial tool, which identifies funds for the wide variety of mid and longer-term capital projects, as well as a planning tool to ensure capital projects are consistent with the City's General plan.

## **BUDGET PROCESS**

Public Works serves as the lead Department for developing the FY 21 Proposed (FY 21) CIP Budget. During this challenging time, Public Works, in conjunction with other Departments, reviewed the City's capital needs and prioritized project submittals based on established criteria:

- The ability of the project to meet health, safety and legal concerns and mandates;
- The value of the project to prolong the life of City assets or avoid/minimize future repair costs;
- The benefit the project will provide the community in support of the goals articulated in the Strategic Plan;
- The potential for the project to generate savings or increase productivity; and
- The extent to which the project will secure future funds through program planning or grant eligibility.

The CIP identifies current expenditures along with providing and outline proposed funding. The strategic capital investment in the City's infrastructure includes major enhancements and repairs to critical public assets, ranging from the infrastructure that is integrated into daily life such as parks, marinas and beaches, buildings, streets, traffic signals, storm drains, sidewalks, bus stops, bridges, water and sewer facilities, the Harbor, upgrades to the Americans with Disabilities Act (ADA), and to airport facilities to meet the long-term travel needs of our residents and businesses.

## **BUDGET HIGHLIGHTS**

In response to the current economic situation the City is facing due to the pandemic, the FY 21 Proposed CIP focuses on continuing to provide investments into the community to improve the economic vitality and quality of life in the throughout the City. Capital improvements require a major initial investment, a significant and continuing financial commitment for maintenance and, eventually, replacement. The following pages provide a summary of each section with a dollar amount that represents proposed funding for FY 21:

- Airport
- Mobility
- Public Facilities
- Utilities
- Harbor

## FY 21 Capital Improvement Program (CIP)

### ALLOCATION PLAN

	<b>FY 21 Proposed</b>
<b>Sources<sup>1</sup>:</b>	
Airport Fund	\$1,000,000
Civic Center Fund	\$100,000
Gas Fund	\$11,050,000
Gasoline Tax Street Improvement Fund	\$11,500,000
General Capital Projects Fund	\$10,139,965
Measure A	\$18,514,645
Transportation Fund	\$23,400,000
Water Utility	\$24,815,834
Sewer	<u>\$7,087,094</u>
<b>Subtotal</b>	<b>\$107,607,538</b>
 Harbor	 \$383,008,000
 <b>Grand Total</b>	 <b>\$490,615,538</b>
 <b>Uses:</b>	
Airport	\$1,000,000
Mobility	\$55,199,000
Public Facilities	\$5,455,610
Utilities	<u>\$45,952,928</u>
<b>Subtotal</b>	<b>\$107,607,538</b>
 Harbor	 \$383,008,000
 <b>Grand Total</b>	 <b>\$490,615,538</b>

<sup>1</sup> Each fund receives revenue from various sources such as bonds, fees and grants. Funding sources for the Capital Projects Fund may include, but are not limited to: County Park Bonds, County Grants, Developer Fees, Federal Grants, General Fund, Lease Revenue Bonds, Park Impact Fees, State Grants, Traffic Impact Fees and Uplands Oil Capital Fund.

## **FY 21 Capital Improvement Program (CIP)**

### **Airport**

Long Beach Airport (LGB) offers a variety of services to air carriers, commercial and general aviation users, as well as the traveling public. Funding for Airport Capital Improvement Projects is derived from several sources including: Federal Aviation Administration (FAA), Airport Improvement Program grants (AIP), Transportation Security Administration (TSA) grants, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), Airport fees, and operating revenues. The focus of the Airport Capital Improvement Program is to continue improving the safety, security, and operations of the Airport to meet the mandates of the FAA and TSA.

In FY 20, the Airport completed, four months ahead of schedule, the \$23M construction of Taxiway C, consistent with the Airfield Geometry Study recommendations to increase safety and efficiency of the airfield operations. Also completed in FY 20 was the installation of 15 new electric Ground Service Equipment (GSE) chargers. The new GSE chargers will aide in the effort to lower pollutant emissions through conversion to electric ground support equipment. In addition to being faster and more efficient than previous chargers, they recognize each specific battery type and charge accordingly to prolong the life of individual batteries.

The Terminal Area Improvements Program Phase II continues in FY 20, with the first two facilities (Checked Baggage Inspection System (CBIS) and new Ticketing Building) being prioritized. Foundation work for the CBIS building is now complete, with steel erection and roofing underway. The Ticketing Building's electrical infrastructure is anticipated to be completed soon which will allow the Airport complete site demolition and prepare for foundation construction.

Other projects on the airfield include the \$6M rehabilitation of Taxiway D that is currently underway and will be completed before the end of the year, at which time the Airport anticipates beginning the \$7M construction of Taxiway B in FY 21.

<b>Project Title</b>	<b>FY 21 Proposed</b>
Airport Terminal Area Improvements	\$500,000
Airport Pavement Rehabilitation	<u>\$500,000</u>
<b>Total Airport Projects</b>	<b>\$1,000,000</b>

### **Mobility**

The Mobility section contains programs designed to maintain and improve the City's transportation network, and to meet the increased needs for mobility resulting from economic growth, utilizing a combination of different funding sources. These funds include City of Long Beach Measure A, Proposition A and C, Gas Tax Street Improvement Capital, Transportation Improvement Fees, Los Angeles County Measure M and R, State Road Maintenance and Rehabilitation Act, along with, Federal, State, and County grants.

Mobility improvements include street repair, street and intersection improvements, traffic signal system expansion and upgrades, transit improvements, replacement parking and traffic lane

## FY 21 Capital Improvement Program (CIP)

striping, neighborhood traffic management and mobility enhancements in the right-of-way. This section also includes programs that evaluate traffic congestion throughout the City and respond with projects to relieve congestion or enhance traffic safety. When designing arterial and local streets, each location is addressed using the complete streets design framework. This means that conditions for people who walk, bicycle and take transit are considered when designing a roadway.

The program delivers improvements including reconstructing and resurfacing of major, secondary, and residential streets; upgrading accessibility of curb ramps to comply with current American Disabilities Act (ADA) regulations; installing bicycle facilities; replacement of street signs; repairing neighborhood sidewalks, curbs, and gutters; and rehabilitating bridges to repair deficiencies identified by the bridge inspection reports.

The paving program is guided by the City's Infrastructure Investment Plan (IIP) and Pavement Management Program (PMP), which is typically updated biannually. The Public Works team plans projects in coordination with Development projects along with projects from other departments and agencies. The program is developed to make best use of the City's limited funds. This means it is not a "worst first" methodology. It is a balance between maintaining our "good" streets in good condition, while also spending funding to eliminate backlog of streets in "poor" condition. There are several factors that are taken into consideration when the City evaluates the selection of streets, such as surface conditions, utility work (pipeline construction), cost effectiveness, future developments in the area, and potential conflicts with other projects. The goal is to rehabilitate a roadway when it is in "good" condition versus delaying repairs to a state in which the street degrades down to a "poor" condition, which significantly increases the costs of repairs.

The proposed Mobility budget includes \$55.2 million of new funding in FY 21, of which \$37.4 million has been budgeted for street rehabilitation and arterial corridor enhancements throughout the City. Measure A funds totaling \$15.2 million, of which \$7.5 million is for Arterial Street Improvements, \$6.5 million for ADA Curb Ramp Improvements and \$1.2 million for Citywide Alley Improvements.

In addition to Measure A funding, Mobility also receives local, state and federal funding. This includes improvements to arterial corridors, bikeways, bridges, bus stops, light rail transit, citywide striping and signage, and traffic signals.

<b>Project Title</b>	<b>FY 21 Proposed</b>
ADA Rapid Response	\$500,000
Alley Improvements	\$1,200,000
Arterial Corridor Enhancements	\$13,803,100
Arterial Street Rehabilitation	\$12,700,000
Bikeway and Pedestrian Improvements	\$2,390,000
Bridge Improvements	\$1,000,000
Bus Stop Improvements	\$210,000
ADA Curb Ramp Improvements	\$9,500,000

## FY 21 Capital Improvement Program (CIP)

Light Rail Transit Improvements	\$256,000
Residential Street Improvements	\$10,899,000
Citywide Sinkholes	\$250,000
Citywide Striping & Signage Program	\$250,000
Traffic Signal Improvements	\$550,000
CIP Administration	<u>\$1,690,900</u>
<b>Total Mobility Projects</b>	<b>\$55,199,000</b>

### Public Facilities

The City of Long Beach owns over 350 facilities throughout the City that continue to provide residents with public services, recreational opportunities, places to learn, and public safety. These facilities include but are not limited to the following: Libraries, Health Facilities, Fire Stations, and Police Stations.

In FY 20, construction for Civic Center phase II work continues which includes access to Lincoln Garage and demolition of the old Main Library Branch. This fiscal year the Project Management Bureau completed three Library Branch circulation desks, numerous roof repairs, and the Police Department (PD) West Station roof restoration and HVAC upgrade projects. This year, the Public Safety Garage project construction was started and is on scheduled to be completed in FY 21.

The Public Works Department continues the Citywide Facility Condition Assessment (FCA) which began in FY 18 to determine the overall condition of all our facilities. To-date, 258 buildings have been assessed, it is anticipated that the FCA will be completed in 2020.

The FY 21 budget for Public Facilities includes \$5.4 million of which \$3.3 million is from Measure A, \$2 million from AB-32 funds, and \$100,000 of Civic Center funds. In total, \$5.3 million has been budgeted for facility improvements, energy efficiency and solar projects, improvements to the new Fire Station 9, and \$100,000 for improvements to the Civic Center.

<b>Project Title</b>	<b>FY 21 Proposed</b>
Facility Improvements	<u>\$5,455,610</u>
<b>Total Public Facilities</b>	<b>\$5,455,610</b>

### Utilities

The Utilities section is comprised of three different services provided to Long Beach residents. These services are provided by the Long Beach Energy Resources Department, Long Beach Water Department and the Public Works Department Stormwater/Environmental Compliance Division. In addition, these Departments work closely to coordinate water, gas, and street improvement projects in the right-of-way, adhering to the City's "Dig Once" policy preventing any newly paved or slurried street from being torn up.



## FY 21 Capital Improvement Program (CIP)

### Long Beach Energy Resources Department

Long Beach Energy Resources (LBER) Department oversees approximately 1,900 miles of natural gas pipelines. The Department's objective is to safely deliver natural gas to over 150,000 businesses and households in the most cost-efficient manner. All operations are conducted in strict compliance with U.S. Department of Transportation's (DOT) pipeline safety regulations, CFR 49 part 190-199. LBER is engaged in a long-term pipeline infrastructure replacement program focusing on pipelines identified in its Distribution Integrity Management Plan (DIMP). In the past five years, over 50 miles of distribution main and service pipelines have been installed or replaced, improving system integrity.

The CIP takes a system-wide approach and replaces pipelines targeting the worst risk pipes within the system. There are numerous factors that affect which pipes are selected for replacement including age, material type, leakage history, etc. In addition to pipeline replacement, the CIP addresses capital needs to regulator stations, valves, and other gas facilities, and funds critically mandated programs such as cross bore inspections, meter replacement, gas facility surveys, etc. LBER will continue to work closely with the Public Works Department to coordinate gas projects with street improvement projects.

In FY 21, a total of \$11.05 million is proposed for LBER projects including main and service pipeline replacement, gas meter replacement, facility work, gas control, and cathodic protection.

<b>Project Title</b>	<b>FY 21 Proposed</b>
Facility Work	\$500,000
Gas Control/Cathodic Protection	\$250,000
Gas Meters Replacement	\$25,000
Main Pipeline Replacement	\$8,500,000
Service Pipeline Replacement	<u>\$1,775,000</u>
<b>Total LBER</b>	<b>\$11,050,000</b>

### Stormwater/Environmental Compliance

The Stormwater/Environmental Compliance Division is responsible for maintaining the City's 300 miles of storm drain pipeline, pump stations and monitoring stormwater quality within Long Beach. Water quality compliance is handled through the City's National Pollutant Discharge Elimination System (NPDES) permit. In 2016, an assessment of the City's 23 pump stations was completed and identified over \$35 million in necessary repairs and upgrades.

In FY 21, \$3 million of Measure W funding is proposed for the implementation of the Watershed Management Program, the LBMUST stormwater treatment facility, low flow devices, trash capture devices, and other projects to keep Long Beach in compliance with its' NPDES permit.

## FY 21 Capital Improvement Program (CIP)

Project Title	FY 21 Proposed
Storm Drain System & Water Quality Improvements	<u>\$3,000,000</u>
<b>Total Stormwater</b>	<b>\$3,000,000</b>

### Long Beach Water Department

Planned capital improvements to the City's water and sewer system encompass a wide range of projects. The Water Department will continue replacing aging infrastructure that is approaching the end of its useful life, including, but not limited to, water pipelines, valves and meters. The Department coordinates pipeline projects with the Measure A Street Rehabilitation projects. In addition, the Department is continuing with its well and water tank rehabilitation projects.

The Sewer CIP budget reflects a sustained level of investment in infrastructure, as the Department follows a programmatic CIP based on an updated Sewer Master Plan. In FY 21, the Water Department is proposing \$29.9 million in Capital Projects. Of this amount, \$22.8 million is in the Water Fund and \$7.1 million is in the Sewer Fund.

Project Title	FY 21 Proposed
<b>Potable Water</b>	
In-House Water Main Replacement	\$2,500,000
Meter Replacement Program	\$50,000
Water Pipeline Improvement	\$2,520,000
Water Pipeline Replace/Install	\$4,680,973
Alamitos Reservoir Improvements	\$2,116,880
Water SCADA Improvements	\$295,351
Treatment Plant Improvements	\$819,682
New Well Development/Equipment	\$6,931,833
Water Supply Improvements	\$650,900
Well Rehabilitation	\$1,280,000
Recycled Water Improvements	\$207,400
Water Facility Improvements	\$1,962,815
Water Miscellaneous	<u>\$800,000</u>
<b>Total Water Fund</b>	<b>\$24,815,834</b>

### Sewer

Sewer Pipeline Rehab	\$2,150,000
Sewer Operations	\$1,850,000
Sewer Pipeline Replacement/Install	\$300,000
Sewer Lift Stations	\$2,637,094

## FY 21 Capital Improvement Program (CIP)

Sewer Miscellaneous	<u>\$150,000</u>
<b>Total Sewer Fund</b>	<b>\$7,087,094</b>

### Harbor Department

The Harbor Department (Port), with its deep-water channels, rail access, and ongoing investment in state-of-the-art facilities, continues to be the preferred gateway for Asia-Pacific trade and operational model for its environmental innovations and initiatives. The Port continues to implement a long-term capital improvement program designed to provide Port tenants with secure, state-of-the-art facilities capable of accommodating international trade and safeguarding regional economic benefits in a sustainable manner while ensuring economic vitality, ecological health, and community integrity.

The Port forecasts investing \$1.7 billion in capital projects over the next decade to increase cargo-handling efficiency and enhance competitiveness. This investment will also stimulate the economy by creating thousands of direct construction jobs along with indirect service and commercial opportunities.

In FY 21, the Port is forecasting to spend \$382 million on capital projects, with \$84.5 million for the continued construction of the Gerald Desmond Bridge Replacement, and \$88.5 for the Middle Harbor Redevelopment Project. Port Security continues to be a high priority, with the Department investing nearly \$29.6 million in capital projects.

<b>Project Title</b>	<b>FY 21 Proposed</b>
<b>Major Projects</b>	
<b>Terminal Development</b>	
Pier D/E/F (Middle Harbor)	<u>\$85,519,000</u>
<b>Total Terminals Expansion and Development</b>	<b>\$85,519,000</b>
<b>Port-Wide Security &amp; Safety</b>	
New Fire Station / Fire Boats / Security	<u>\$29,597,000</u>
<b>Total Port-Wide Security &amp; Safety Projects</b>	<b>\$29,597,000</b>
<b>Streets, Bridges, and Railways</b>	
Gerald Desmond Bridge Replacement	\$84,538,000
Rail Projects	<u>\$79,583,000</u>
<b>Total Streets, Bridges, and Railways</b>	<b>\$164,121,000</b>
<b>Miscellaneous Projects</b>	
Port Headquarters / Civic Center	\$1,293,000
Environmental Projects	\$32,647,000
Eng. Misc. Projects / Port Infrastructure	\$21,435,000

## **FY 21 Capital Improvement Program (CIP)**

Port Infrastructure (Streets, Water, Storm Water, Sewer)	\$33,076,000
Information Technology Projects	\$12,035,000
Furniture, Fixtures, and Equipment	<u>\$2,285,000</u>
<b>Total Miscellaneous Project</b>	<b>\$102,771,000</b>
<b>Total Harbor Department</b>	<b>\$382,008,000</b>

## Elected Officials City of Long Beach

### Mayor

Robert Garcia

### City Council

Mary Zendejas, District 1  
Jeannine Pearce, District 2  
Suzie Price, District 3  
Daryl Supernaw, District 4  
Stacy Mungo, District 5  
Dee Andrews, District 6  
Roberto Uranga, District 7  
Al Austin, District 8  
Rex Richardson, District 9

### City Attorney

Charles Parkin

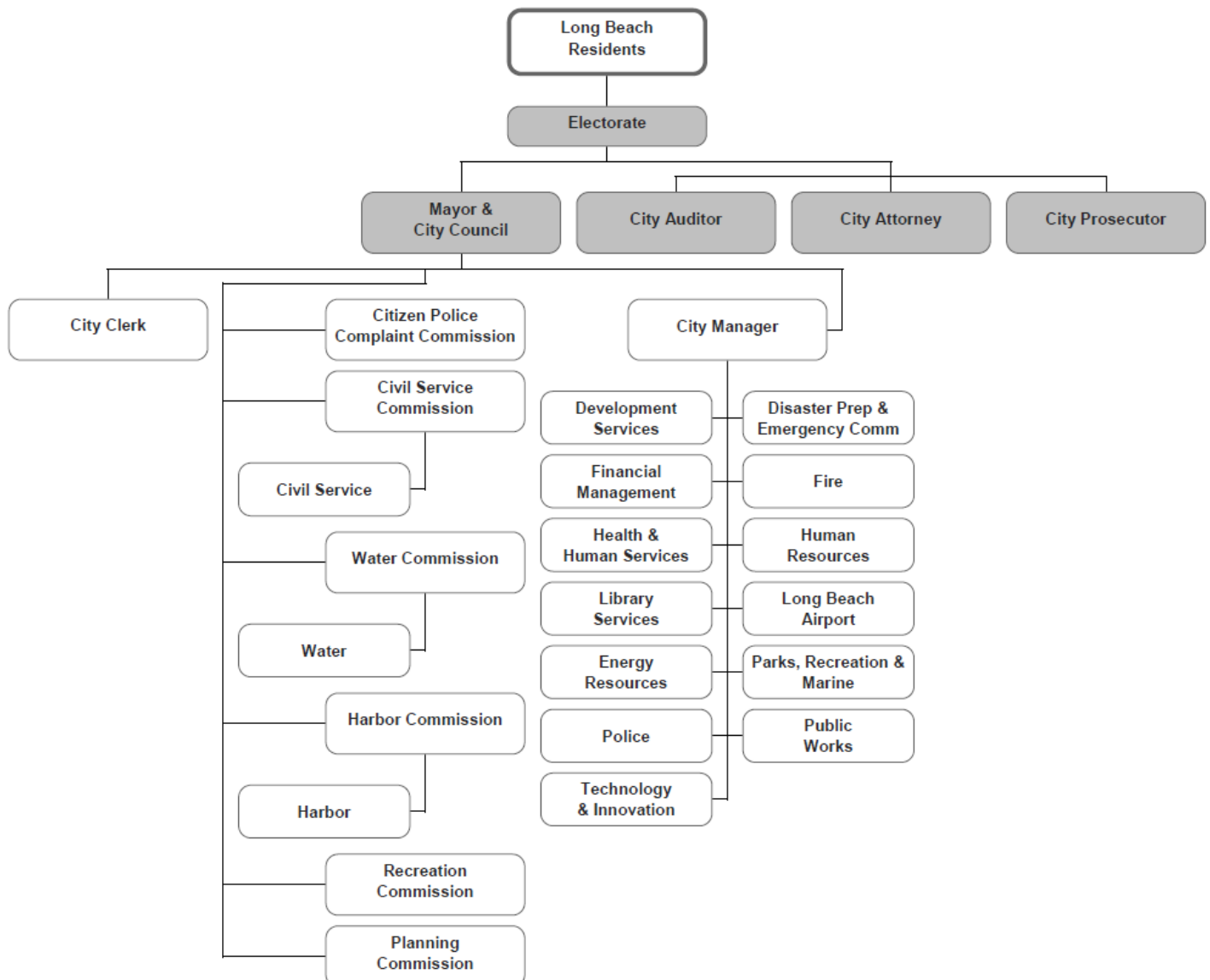
### City Auditor

Laura L. Doud

### City Prosecutor

Douglas Haubert

## City Organizational Chart





## Historical City Seal

The seal of the City of Long Beach was designed in 1930 by Roland S. Gielow, a draftsman in the City's engineering department. Mr. Gielow created this seal as part of a contest and was awarded a \$150 prize for his design.

The theme of the seal is "Urbs Amicitiae" or the "Friendly City." The seal incorporates many design elements, both real and symbolic of the City of Long Beach.

At the center of focus is the "Queen of the Beaches," seated on her throne in the foreground, scepter in hand with the California "Golden Bear" at her feet. Below her lies the horn of plenty pouring forth an avalanche of fruit, agricultural and manufactured products, while perpetual sunshine lights the heavens where an airplane soars. Also depicted are the mountains and sea, a ship, the auditorium, typifying a convention city, the Rainbow pier and yachts offshore.

The lighthouse, breakwater and docks are symbolic of the harbor and the ship symbolizes commerce of the seven seas. Rail transportation is brought to the water's edge as pictured by the locomotive and factories and refineries and oil play a significant role in the pictorial structure.

To portray Long Beach's unrivaled oceanfront attractions, the artist paneled the whole with a seashell and to stress its cultural side a book of knowledge and lamp of wisdom are shown. The four stars at the top signify Long Beach as the fourth largest City in California at the time. This historic seal demonstrates all of the diverse and wonderful assets that the City of Long Beach maintains, and which benefit all who live, work and play in the City to this day.







# THE CITY HAS 37 FINANCIAL FUNDS

Much of the City's revenue and budget across these funds are restricted by law for specific services. The General Fund is the only completely discretionary funds to be spent on public purposes.

The other thirty-six funds make up the majority of the City's budget and are restricted by law for specific services. The funds fall into the following categories:

## Enterprise Funds: \$1 billion

These funds operate like a business charging for services, such as Airport, Harbor, and Water.



## Tidelands Funds: \$196 million

These funds support operations and projects along the beach areas, funded by proceeds of oil revenues, transfers from Harbor, and Marina fees, among others.

## Debt Service Fund: \$35 million

This fund receives non-Tidelands oil revenue to fund operations and capital.

## Internal Services Funds: \$504 million

These funds account for internal services provided to City departments with charges to those departments for the services; includes Fleet and the Insurance Fund.



## Capital Projects Fund: \$22 million

This fund accounts for the planning, design, and construction of major capital improvements; funded by federal, state and county grants, impact fees, and transfers including from Measure A.

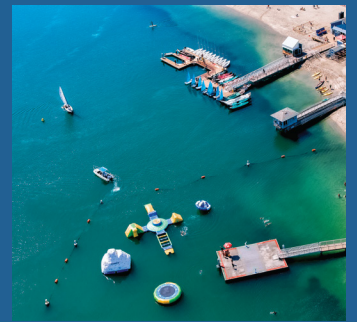


## Uplands Oil Fund: \$8 million

This fund receives non-Tidelands oil revenue to fund operations and capital.

## Special Revenue Funds: \$211 million

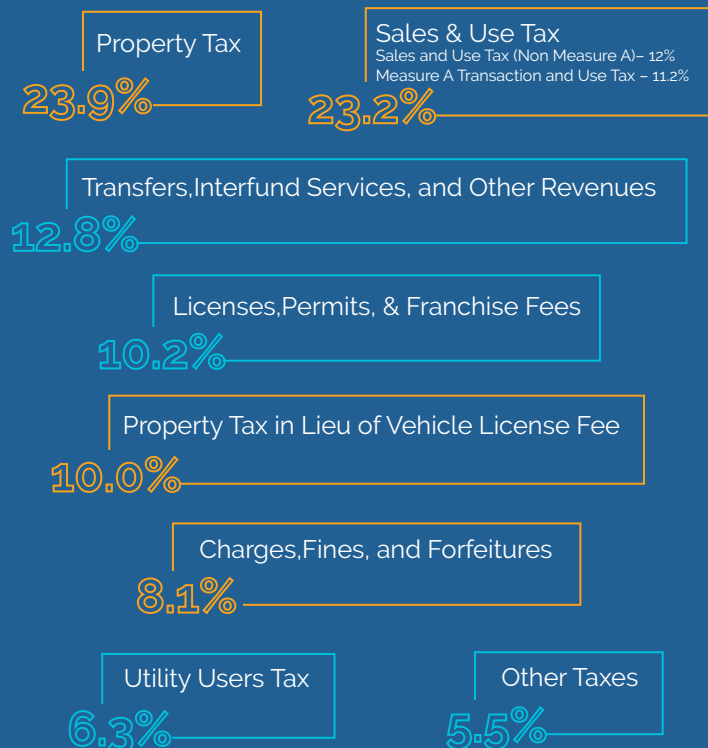
These funds account for activities that are paid for by State and federal grants, taxes, or designated revenue sources that are restricted for special purposes, such as the Health Fund.



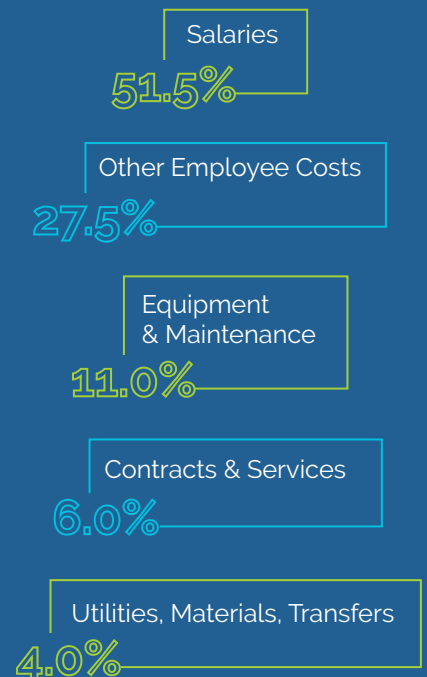
# UNDERSTANDING THE GENERAL FUND

General Fund: \$544 million. This fund provides for general services such as public works, safety, parks and libraries; funded by taxes, fees, fines, and transfers.

## REVENUE SOURCES



## EXPENDITURE BREAKDOWN





For more information on the budget, community budget meetings, and budget survey, visit:  
[longbeach.gov/finance](http://longbeach.gov/finance)

The 2020 Census is still underway! Secure millions of dollars of funding and fair representation for the next ten years by completing the census TODAY. Visit [www.my2020census.gov](http://www.my2020census.gov) or call 1-844-330-2020. Be Counted, Long Beach!



City of Long Beach  
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 Long Beach, CA 90802

Visit us at [www.longbeach.gov](http://www.longbeach.gov)



To request this information in an alternative format or to request a reasonable accommodation, please contact Financial Management at 562.570.6225. A minimum of three (3) business days is requested to ensure availability. Reasonable attempts will be made to accommodate request made within less than three (3) business days.